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APPENDICES  
TO THE  
TWELFTH VOLUME  
OF THE  
JOURNALS OF THE SENATE  
OF  
CANADA.

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SESSION 1878.

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Printed by Order of Parliament.

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OTTAWA :  
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1878.

## APPENDIX

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*(Printed for use of Members only.)*
- No. 2.—Examination of Petitioner, Evidence of Witnesses and Vouchers adduced before the Select Committee of the Senate on the Bill for the relief of Hugh Hunter.—*(Printed for use of Members only.)*
- No. 3.—Examination of Petitioner, Evidence of Witnesses and Vouchers adduced before the Select Committee of the Senate on the Bill for the relief of Victoria Elizabeth Lyon.—*(Printed for use of Members only.)*
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REPORT AND MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE OF THE SENATE

APPOINTED TO

INQUIRE INTO AND REPORT UPON THE PURCHASE OF LANDS

AT

FORT WILLIAM

FOR A TERMINUS TO THE

CANADIAN PACIFIC RAILWAY.

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Printed by Order of the Senate.

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OTTAWA:  
PRINTED BY MACLEAN, ROGER & CO., WELLINGTON STREET.  
1878.



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## REPORT.

THE SENATE,  
COMMITTEE ROOM,  
Tuesday, 30th April, 1878.

The Select Committee of the Senate appointed to continue the investigation and to inquire into all the questions relating to the purchase of the property at *Fort William*, for a terminus to the Canadian *Pacific* Railway, and to send for persons, papers and records, and examine witnesses under oath, and to report thereon with all convenient speed this Session, beg leave to present the following as their Second Report:—

That, although not strictly within the order of reference, your Committee received much evidence bearing upon the respective merits of the *Kaministiquia River* and *Prince Arthur's Landing* as harbours. In the opinion of your Committee, either may be made an excellent harbour—the *Kaministiquia* by dredging, *Prince Arthur's Landing* by a moderate expenditure on permanent works. The harbour of *Prince Arthur's Landing* is only exposed to easterly winds, a quarter from whence gales or squalls rarely blow on *Lake Superior*. The safety of this harbour was proved in evidence given by Mr. *Marks* before your Committee, that, of 1,500 vessels which reported at the Custom House at *Prince Arthur's Landing* since 1869, not one of them had sustained damage, to his knowledge, from storm in the harbour, or had to leave it for shelter. Mr. *Kingsford*, an Engineer of the Department of Public Works, gave clear and very intelligent evidence before your Committee, and submitted plans for a pier or breakwater, which, for a comparatively moderate sum, would provide the shelter needed to make *Prince Arthur's Landing* one of the most commodious harbours on the great lakes, and, in point of safety, a perfect harbour of refuge.

The *Kaministiquia River* when once entered, is completely land locked, and can be made a commodious harbour. In the opinion of your Committee, the chief objection to placing the terminus of the Canadian *Pacific* Railway upon its banks, apart, from the large periodical outlay for dredging, is the early closing of the river in autumn. The length of the season during which the Canadian *Pacific* Railway can be used to bring the products of the *North-West* to the marts and shipping ports of the Dominion, will depend upon the navigation of the waters with which the railway will connect. If it is made to terminate upon the bank of the *Kaministiquia*, its business season will be governed by the navigation—not of the great lakes, but of a sluggish stream of about 350 feet in width. As a rule, the *Kaministiquia River* closes, according to the evidence given before your Committee, about eight days earlier than *Thunder Bay* at *Prince Arthur's Landing*, and the placing of the terminus of the railway on the bank of the river will shorten, by the same number of days, the season during which the harvest of *Manitoba* can be transported through *Canada* to the seaboard.

If, notwithstanding this, the Government decided that the *Kaministiquia* afforded the best site for the terminus of the Canadian *Pacific* Railway, your Committee submit that the best point on the bank of the river has not been selected, whether either the cost or the convenience of the terminal grounds be considered. The height of the banks was considered by the Engineer in charge of the Surveys, Mr. *Murdoch*, a serious objection to the present site; and he, in his Report to the Government, suggested that a place farther down the river "towards its mouth should be selected for the terminus, to obtain lower levels and longer navigation in the fall of the year." No notice, however, appears to have been taken of his recommendation. Your Committee is of opinion that had the suggestion of the Local Engineer been acted upon, a better terminus would have been obtained below the town plot, and at a much smaller cost. The line of railway could have been made to terminate on the

river bank at the *McKellar* farm without increasing its length or passing through the town plot, while the river navigation would have been shortened; and the locality named possesses all the requisites for an important railway terminus. The obtaining of the necessary land would also have been greatly facilitated, as only one or two lot-owners would have had to be dealt with, whereas, at the town plot there were fifty-five, the arranging with whom occupied two Valuators, and a Solicitor, for months at a large expense to the country.

The evidence did not disclose any reason which, in the opinion of your Committee, can be accepted as satisfactory, for deflecting the railway in order to make it enter the town plot of *Fort William* at the western limit, and then to pass through all the front lots to the eastern limit. From the *McKellar* farm towards the mouth of the river, the bank is of a convenient height for docks, and the land is favorable for terminal grounds; the river flows in a straight course to the lake, making the navigation safe and easy, whereas between the point named and that adopted for the terminus, there is a sharp elbow in the river which necessarily increases the awkwardness of navigating it. The distance from *Murillo* Station—the first station west of *Fort William*—is as nearly as possible the same to the river at the *McKellar* farm, as to the terminus at the town plot. For those reasons, your Committee is of opinion, that the terminus was not judiciously chosen. Your Committee is further of opinion, that it is to be regretted, that in purchasing land at *Fort William*, the Government should have departed from the course usually followed in acquiring land for railway purposes. Instead of resorting to arbitration—first tendering to the owners of the land, the prices which the Government considered just, as provided for by law—the Government employed valuers, whose duty it appears to have been, to endeavour to agree with the land-owners, as to the value of their lots and report to the Government. The following is an extract from their instructions:—“You will understand that you are not authorized to close any agreements; all you can do is to settle on a reasonable amount, subject to the approval of the Minister.”

This shows that the Government reserved full power to deal with parties as might be deemed best, after receiving advice from the Valuers, so that the responsibility of the transactions rested entirely upon the Government.

The Valuers were directed to negotiate for land at the price which it commanded in December, 1874, when the plan of the railway reserve was filed.

It was, no doubt, difficult to determine what had been the value of lots in the town plot in 1874, as the transactions then were few, and restricted chiefly to parties who speculated on the chances of the railway going there. “The Government had fixed the terminus of the railway in the town plot in June, 1874, at which time, in the opinion of your Committee, the plan should have been filed, and so have prevented the speculation that subsequently took place. The Valuers, however, were not appointed until 1876. In December, 1875, the Chief Engineer, Mr. *Sandford Fleming*, addressed a letter to the Department of Public Works, of which the following is a copy:—

“CANADIAN PACIFIC RAILWAY,

“OFFICE OF THE ENGINEER-IN-CHIEF.

“OTTAWA, 11th December, 1875.

“F. BRAUN, Esq.,

“Secretary Public Works Department.

“SIR,—This time last year, the Minister instructed you to take the necessary action, under the Statute, with regard to obtaining a sufficient quantity of land for the railway purposes at the town plot of *Fort William* on *Lake Superior*. On the 10th December last year, I prepared and furnished you with a plan of all the lands required at that place, and which it was proposed to take immediate possession of. I am under the impression you placed the matter in the hands of the Minister of Justice, in order that proper legal steps should be taken to acquire the land.

"The land referred to consists of a number of small town lots, and I have recently been informed that these lots are still being bought and sold by private persons. It becomes my duty, therefore, to draw the attention of the Department to this subject, so that, if legal possession of the land has not been fully taken, no time may now be lost in the matter.

"I am, &c., &c.,

"SANDFORD FLEMING,  
"Engineer-in-Chief."

This shows that, in the opinion of the Chief Engineer, the Government had been remiss, and that the public interests might suffer in consequence.

Your Committee submit that the apprehensions of Mr. Fleming were too well founded, as it is in evidence, that subsequently to June, 1874, many lots were bought and sold at from sixty to ninety dollars each by speculators, and re-sold to the Government at from two hundred and fifty, to three hundred dollars a lot. In 1876 when the Valuers visited the town plot for the first time officially, the firm of Messrs. *Oliver, Davidson & Co.* and their connections were the principal owners of the lots which were taken for the Railway terminus. Notwithstanding this fact, the Government appointed a member of that firm, Mr. *P. J. Brown*, a lawyer, to act with the Valuers. His duty, it has been stated, was to advise upon titles, but his instructions did not restrict him to that special duty. The evidence of the Valuers shows that he did advise them, and that his advice when given was, perhaps, not unnaturally, in favor of the lot-owners, and against the Government. He gave it as his opinion that the Railway Act of 1868 did not apply to the Canadian *Pacific* Railway. So far did he go in advising adversely to the Government, that the Prime Minister testified before your Committee that, when his attention was called to the subject, he "was very much surprised," and that he "wrote a somewhat angry letter to Mr. *Brown*." It has been clearly proved, that Mr. *Brown* was an interested party, and your Committee submit that he, therefore, ought not to have been employed in any capacity in association with the Valuers. In the opinion of your Committee, the prices paid for land taken for the railway in the town plot of *Fort William*, and in the adjoining lot, number six of the Township of *Neebing*, were exceedingly, and unaccountably extravagant. The town plot was a town only on paper when it was selected for the railway terminus. Previous to that, the regular price at which the *Ontario* Government sold half-acre lots was four dollars, and, but for the Railway, these lots would be of but little more value to-day than they were then. For the land taken from *Oliver, Davidson & Co.*, and others, the Government paid at the rate of \$500 to \$600 per acre. In 1872 or 1873, *Oliver, Davidson & Co.*, purchased lot six in the Township of *Neebing*, adjoining the town plot, containing 136 acres, for about five dollars per acre. Your Committee submit that the enhanced value of this property was due to the placing of the terminus where it is. Yet for eight acres of it, the Government, advised by the Valuers, paid about five hundred dollars per acre, being about four thousand dollars for eight acres, or over three thousand more for the eight acres than *Oliver, Davidson & Co.*, paid for the entire lot of one hundred and thirty-six acres. The Valuers testified that in valuing this land they had applied the Railway Act of 1868, which had the effect of reducing the price twenty per cent.

The clause of the Act which relates to arbitrations for land, is as follows:—

"The Arbitrators, in deciding on such value or compensation, are authorized and required to take into consideration the increased value that would be given to any lands or grounds through or over which the railway will pass, by reason of the passage of the railway through or over the same, or by reason of the construction of the railway, and to set off the increased value that will attach to the said lands or grounds against the inconvenience, loss or damage that might be suffered or sustained by reason of the Company taking possession of or using the said lands or grounds as aforesaid."

One of the Valuers further testified that, had they not applied the above section, they would have valued the land taken at \$500, instead of at \$400 per acre; and this,

be it remembered, was for land, that had been bought some three or four years before, for about five dollars per acre, and which, but for the railway, would probably be worth no more to-day.

If the public were made to pay extravagant prices for the terminal grounds, they were, in the opinion of your Committee, made to pay more than an extravagant price for the building known as the *Neebing* Hotel (of which a photograph has been filed in evidence), which was erected after the owners—the *Neebing* Hotel Company—knew that they were placing it on the railway reserve. The builder stated in evidence that soon after he had commenced work in August, 1875, he had been warned by a Government Engineer that he was trespassing on the railway reserve; that he mentioned this fact to the confidential clerk of Messrs. *Oliver, Davidson & Co.*, and was told by him to go on. Messrs. *Davidson & Brown*, partners in that firm, were aware long before the hotel was commenced—as their evidence shows—that the land on which it was placed was part of that which was required by the Government. *Oliver, Davidson & Co.* were shareholders in the Hotel Company; *Mr. Oliver* was the President. If the hotel was built after the owners knew, that the land on which they placed it, was in the railway reserve, they were not entitled to payment or compensation of any kind, but the Government did pay them, through *Oliver, Davidson & Co.*, \$5,029 for it. In the case of the *Hendrick* Hotel, which was erected in the summer of 1875, and when *Hendrick* knew of the reservation, as testified to by *Mr. Marks*, the Valutors based their valuation of the building on its actual cost, and that was established by affidavit; but in respect to the *Neebing* Hotel, there was no affidavit of the labor employed, nor of the materials used. *Mr. Oliver* promised to transmit such an affidavit, but none was received by the Valutors. They reported the claim presented by the *Neebing* Hotel Company as excessive, and they disclaim having valued it, but made a special report to the Government, in which they question the validity of the claim. It is as follows:—

“In the claim of the *Neebing* Hotel Company, we are not prepared to recognize “the erection of this hotel, commenced in July, 1875, about six months after the “reservation of the property had been made.”

Notwithstanding the clearly expressed opinions of the Valutors, and without requiring proof of the correctness of the accounts, or even subjecting them to an examination, the amount claimed was paid in full to *Oliver, Davidson & Co.* Had any examination been made, it would at once have been discovered that an item of \$500 was twice charged for the two lots on which the hotel stands. (This sum was refunded to the Government by *Mr. Brown* immediately after the double payment was discovered by your Committee.) It would also have revealed a discrepancy of \$82 in the account for hardware, between the amount of the account and the vouchers attached thereto. Your Committee also found, included in the \$5,029 paid the *Neebing* Hotel Company, the sum of \$500 charged for damages, but it has not been shown to the satisfaction of your Committee that any damage had been sustained by the Company. *Mr. Reid*, one of the Valutors, in his evidence said that, if interest had been allowed on the expenditure, the Company would have been willing to forego the claim for damages. An amount of one hundred dollars was charged in the account for interest, as well as the \$500 for damages, and both were paid.

Your Committee is of opinion that the Government was grossly over-charged in this transaction, as it was understood by the Valutors that the *Neebing* Hotel Company only asked to be re-imbursed the cost of the building and of the land.

Your Committee directs attention to the large discrepancy between the quantity of material charged in the account of *Oliver, Davidson & Co.*, and which was paid by the Government, and that which *Henderson*, the builder, admitted having received. His statement of the materials which were used in the building, was confirmed by *Mr. Taylor*, an Engineer, who carefully measured them last year. *Mr. Larr*, a builder, gave substantially the same evidence as to the quantity of material. The lumber and other material received by *Henderson* for the building from *Oliver, Davidson & Co.*, but not used by him, as well as a quantity of hardware, have not been accounted for to the satisfaction of your Committee.

After having heard and weighed the evidence which has been adduced during the enquiry, your Committee find it difficult to believe that the persons who enriched themselves at the expense of the people of *Canada* had not in some way ascertained, in advance of the public, that the Government had determined to locate the terminus of the Canadian *Pacific* Railway on the town plot of *Fort William*, and in this connection your Committee call attention to the following evidence:—

Messrs. *Clark* and *Savigny*, of *Toronto*, testified before your Committee that in the fall of 1874, Mr. *Davidson*, of *Oliver, Davidson & Co.*, had told each of them that he had been informed on very high authority that the terminus would be in the town plot, and that he had shown to each of them a plan or tracing, on which the lots required for the railway were "colored in lake or pink;" that this coloring delineated with strict accuracy the lots which were afterwards taken by the Government; that Messrs. *Clark* and *Savigny* related to your Committee the circumstances which had impressed upon their memories, beyond the possibility of error, the date of Mr. *Davidson's* conversation, and that it could not have been held later in the season than the time named by them. Mr. *Davidson* stated that the conversations referred to by Messrs. *Clark* and *Savigny* took place in the early part of 1875, and that he had obtained his information from his Solicitor, Mr. *Leys*, who, he believed, had got it in the Crown Lands Department at *Toronto*, and where, he believed, he also had got the plan of the town plot whereon the railway reserve was colored.

Mr. *Leys* testified substantially to the same effect. Mr. *Mackenzie* (the Prime Minister) in his evidence before your Committee stated that, in the autumn of 1874, he had written to Mr. *Pardee*, the Commissioner of Crown Lands of *Ontario*, informing him that the railway would probably go in the direction of the town plot, and requesting him to prevent, as far as possible, the taking up of lands there for speculative purposes.

Mr. *Mackenzie* also stated in his evidence that, when he requested the Department of Justice to appoint Mr. *Brown* to act with the Valuers, he was not aware that Mr. *Brown* was one of the firm of *Oliver, Davidson, & Co.*, but your Committee submits that he might have been aware of it, for in the return (No. 52) to an Address of the Senate, which has been laid upon the tables of both Houses of Parliament during the present Session, will be found: "Articles of agreement (entered into on the 9th day of February, 1875), made in duplicate between *Adam Oliver*, of the Town of *Ingersoll*, County of *Oxford*, Province of *Ontario*, lumber merchant; *Joseph Davidson* of the City of *Toronto*, County of *York*, Province of *Ontario*, lumberer; and *Peter Johnson Brown*, of the said town of *Ingersoll*, Esq., carrying on together the business of contractors, as partners under the name, style and firm of '*Oliver, Davidson & Company*,' of the first part, and Her Majesty Queen *Victoria*, represented herein by the Minister of Public Works of the Dominion of *Canada*, of the second part, etc." These articles of agreement were for the construction of the Canadian *Pacific* Telegraph from *Lake Superior* to the *Red River*, and were signed first by Messrs. *Oliver, Davidson* and *Brown*, and, underneath, on behalf of the Queen, by Mr. *Mackenzie*, the Minister of Public Works, and countersigned by *F. Braun*, the Secretary of the Department.

All which is respectfully submitted.

M. A. GIRARD,  
Chairman.

## MINUTES OF EVIDENCE

TAKEN BEFORE THE

### SELECT COMMITTEE OF THE SENATE

Appointed to continue the investigation to inquire into all the questions relating to the purchase at *Fort William*, for a terminus to the Canadian *Pacific* Railway, and to send for persons, papers and records, and examine witnesses under oath, and to report thereon with all convenient speed this Session.

*It was ordered*,—That the evidence taken from time to time before the Select Committee appointed to continue the investigation and to inquire into all the questions relating to the purchase of the property at *Fort William* for a terminus to the Canadian *Pacific* Railway, be printed for the use of the Members of this House, but that no copies thereof be delivered, except to the Members of the Committee, until further order.

THE SENATE,  
COMMITTEE ROOM No. 8,  
TUESDAY, 12th March, 1878.

HUGH WILSON, F.G.S., P.L.S., being called and sworn, deposed as follows:—

Q. Where do you reside?—At Mount Forest, County of Wellington.

Q. When were you appointed Valuator by the Government in reference to the Fort William property?—In the spring of 1876—the ninth of June.

Q. Who was associated with you in determining the value of the property?—Mr. Robert Reid, of London.

Q. Did you own, or had you any interest in any lands at Fort William when acting as Valuator?—I had none. I had no interest in the municipality at the time I went there, but I bought the Blackwood property in August following.

Q. How did you know what land the Government required for the purposes of the railway terminus?—I was furnished with a plan by the Department, and one by the local engineers. I now produce a copy of the plan, marked exhibit "B." The quantity of land required for the railway in lot number six was not determined then, but was determined by the Chief Engineer after I went there. Plan "B" shows the reserve in the town plot of Fort William, and plan exhibit "A" shows the reserve in the town plot, and on lot number six of Neebing.

Q. How did you ascertain who were the owners of the lots?—From various sources. In the matter of Oliver, Davidson & Co., I got them to give me a list of the lots they held, and we got others from the Registry Office at Prince Arthur's Landing.

Q. In fixing the price of the lots, did you apply the clause of the Railway Act of 1868, Vic. 31, chap. 68, sub-section 18 of section 9, in reference to arbitrators?—No.

Q. Did you think it did not apply?—I was under the impression that it did not apply to that particular case.

Q. Was there not a clause in your instructions which specially applied to that point?—Yes.

Q. Had you any doubt on your mind as to the application of this clause in this Act?—I had.

Q. How did you inform yourself as to the bearing of this clause?—I spoke to our legal adviser, Mr. Brown, and also to Judge Van Norman on the matter, and eventually the valuation was fixed according to the price of other lands in the neighbourhood.

Q. What did Judge Van Norman advise?—He would not give me any advice in the matter at all.

Q. What did Mr. Brown advise?—I really could not say positively, but it was to this effect—that it was questionable whether the Act would apply in this case; and I thought myself it could not apply. That was my opinion.

Q. You were advised by Mr. Brown that it was questionable if it did apply, but he thought it did not apply? Is it not usual to apply such a rule as that in valuing lands for railway purposes?—I could not see that it had been applied on the Lachine Canal, the Welland Canal, or the public railways in the country. I was not aware of any case in which it had been applied. That is my reason for not paying any attention to it.

Q. You must have had a doubt on your mind as to the applicability of this clause when you went to Judge Van Norman and Mr. Brown?—Yes.

Q. Without that advice, what decision would you likely have arrived at?—I would have considered that the parties who held lands in the town plot would have been entitled to compensation for them, the same as farmers would be in a district through which a railway would run. They would be entitled to the present value of the land—to the then value.

Q. But would they be entitled to the value given to the land in consequence of the railway passing through?—I was under the impression that this value was invariably given. On the northern extension of the Toronto, Grey and Bruce Railway the then present value of the land was given.

Q. Did they get the increased value of the land caused by the construction of this public work?—Yes; the value up to that date—up to the time when the land was purchased.

Q. Did you take into consideration the prospective value or the present value?—The present value.

Q. That is the enhanced value by the fixing of the terminus upon that land; would you have given the same value for those lands if there had been no railway there, or any likely to be constructed?—No; certainly not.

Q. So that in valuing the lands you gave the owners the value of the enhancement created by the location of the railway there?—It was the value up to that present time. I might explain it further: At the time that those lots were bought, there were numbers of lots there that were bought for two hundred and fifty dollars (\$250) that are now, I have no doubt, worth a thousand dollars. Consequently, they have increased in value since that time because of the railway. I then paid the increased value up to the time that the reserve was made in January, 1875.

Q. What would have been the value of those lands before it was publicly known that the railway was located there?—Not very much.

Q. Four dollars an acre?—About six dollars. I know lots sold there for six dollars per acre in 1869.

Q. Then about six dollars an acre was the value before the railway terminus was located there?—That was for farm lots up the river.

Q. Was this more valuable than farm lands before the railway was located there?—Yes; it was. It has a large river front on the town plot, and water lots are considered more valuable.

Q. How much an acre do you consider it was worth before the railway was located there?—I could not really say.

Q. Would you say six or eight dollars; put some value on it?—I think, in 1869, or in 1867 or 1868, there was a lot sold at six dollars per acre. Of course, the fact of the terminus of the Canada Pacific Railway being located there enhanced the value of the land. I might say, I think it was in 1873 when I ran the preliminary line for the road to Pigeon River; then lots in the town plot were not worth very much.

Q. Could you give us any idea as to their value at that time?—Mr. McIntyre claimed several lots, and I tried to buy two of them from him. He wanted forty dollars for one and fifty dollars for the other, for his claim to them. Of course, the title was still in the Crown. I think that was in 1872 or 1873, and that is about what the land was worth, as near as I can judge—from forty to fifty dollars for a half-acre lot fronting on the river.

Q. Was that, you think, the selling price?—There were no sales that I am aware of.

Q. You did not give that price?—No; I did not give that.

Q. Did you offer Mr. McIntyre any price for them?—I think I did.

Q. How much?—The transaction with McIntyre was before this Pigeon River matter. It was in 1869 that I partly cleared two lots, and I would have paid McIntyre for them but the conditions were so strict. I would have to build a house or clear them. I would not do that and I abandoned them. It was in 1869, I think, that McIntyre wanted forty or fifty dollars for his good will of the lots, and the title was still in the Crown.

Q. Did you as Valuator, with Mr. Reid, complete the purchase of the lots, or did you, before completing the purchase, negotiate with the owners and report to the Government your opinions as to the value?—We completed the purchase as far as our authority permitted. We completed the purchase of the lands subject to the approval of the Government and had to submit our report, of course, to the Government.

Q. You completed the purchase as far as you could—how far did that go?—We bought at as low a figure as we possibly could—and we submitted the report to the Government for their sanction. Some lots, of course, were bought for a good deal less than others. I believe we paid too much for some lots, but it was a matter of necessity, and we could not help it. We bought the lots lower than the retail price of the land at the time.

Q. You speak of the retail price of the lands;—is the Committee to understand that there were many transactions then taking place in lands there?—No; I mean the price of the day. There were, I believe, several lots sold during the six months before and during the valuation. We paid what individuals were paying for a lot or a portion of a lot, without buying up a block, such as Oliver, Davidson & Co., had—buying by the single lot at current prices.

Q. Can you give the Committee a list of the sales that took place within six months prior to your beginning your work there?—I was furnished by Mr. Brown with a list. I am not very sure whether I have it or not.

Q. Can you state whether parties who bought lots improved them or built on them?—Yes; I think Mr. Stephenson had a hotel on land adjoining the town plot, but not on the reserve, which I understood was rented at twenty-five dollars a month, and Mr. Monroe had a house that he bought from Oliver, Davidson & Co., on the reserve.

Q. Were these all lands bought before you commenced the valuation?—Yes.

Q. Were there any others?—There were several.

Q. As a rule were all the lots purchased improved afterwards and built upon?—As a rule, I think they were built upon—that is all that were reported to me as sold.

Q. How many in all?—Three or four that were built on.

Q. Were you aware that the Railway Act of 1868, made express provision that that clause should apply not only to the Intercolonial Railway, but to all railways that might be hereafter constructed, until that Act should be repealed?—I remember very well of reading the Act. My instructions referred to it, but I could not see that the Act had been put in force in any place in Canada. It might have been enforced on the Intercolonial Railway, but in no other place that I had any knowledge of.

Q. Are those provisions excluded from the Pacific Railway Act?—They were not acted on. In fact my colleague and myself could not discover any case in the country in which that Act had been carried out.

Q. Were those provisions excluded from the Pacific Railway Act: "2.—The said sections shall also apply to every railway hereafter to be constructed under the authority of any Act passed by the Parliament of Canada, and shall, so far as they are applicable to the undertaking, and unless they are expressly varied or excepted by the Special Act, be incorporated with the Special Act, form part thereof, and be construed therewith as forming one Act." Did you call Mr. Brown's attention to that provision when you asked him for his opinion?—I did.

Q. What did Mr. Brown say?—He led me to understand that he did not think that clause of the Act would apply in this case.

Q. What were your instructions?—They are the same as those filed as exhibit "6030."

Q. One paragraph of the instructions reads thus:—"I am further to inform you that, in arriving at the price to be paid for land, &c, you are not to consider its present value, but its value at the time it was taken for the purposes of the railway, from which date to date of completion of purchase, it is possible interest may have to be allowed." Is it by this clause you governed yourself in fixing value?—Yes.

Q. At what date did you consider the purchase to have been made, in the sense which is intended here?—When the terminus was really established by registering the plans securing that reserve.

Q. What date was that?—It was in December, in Ottawa, in the Board of Works; and some time in January, 1875, at Prince Arthur's Landing.

Q. Was the value you set on the lands the value in January, 1875?—Yes; I considered them so.

Q. Was it the expectation of this being the terminus that gave the lands their value?—It increased their value.

Q. Did this give them their value over the forty dollars an acre that you spoke of a while ago?—There is no doubt that the fact of the Canada Pacific Railway terminus being placed there is what gave the value to the town plot and the lands in the neighbourhood. We were guided more particularly by the value of other lands outside of this land—what McKellar and other people were selling lands for—rather than the Act of 1868. We thought that lands ought to be worth as much inside the town plot as was paid for lands outside.

Q. You say that land in the town plot should be as valuable as land on the outside. I suppose it depends on which side of the town plot it would be?—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. Knappin told me that he paid that price.

Q. How much nearer would that be to the mouth of the river?—It is about a quarter of a mile east of the town plot.

Q. How far from the round house?—A mile and a half nearer the mouth of the river.

Q. Are you aware that McKellar offered his farm in 1875 for seventy-five dollars an acre?—I heard that, but I could not speak of it as a fact.

Q. Were all the lands taken for the terminus in the town plot of Fort William?—No; there are some in lot number six, adjoining the town plot in the Township of Neebing.

Q. Is that a farm lot?—Yes; a hundred acre lot.

Q. Was it improved or cleared?—Not much; there was a little clearing made along the river.

Q. How much?—In 1872 or 1873, I think, the clearing on lot number six was a couple of acres, and there was quite a large piece of ground underbrushed.

Q. Who was the owner of that lot at that date?—The Reverend Mr. Smith.

Q. When did he own it?—He told me he bought the lot in 1872 or 1873.

Q. Who was the owner of that lot at the time you valued it?—Oliver, Davidson & Co.

Q. When did Davidson become the owner of it?—I could not say.

- Q. You valued the portion taken by the Government?—Yes.
- Q. And, in valuing that, did you not ask the seller what he paid for it, or how long he had owned it?—No; I do not think I did. I bought as cheap as I could from him.
- Q. You did not know how long he held it, or what he paid for it?—No.
- Q. Were many of those lots improved that were taken for the terminus, by being fenced, built upon or cleared?—There were several lots improved.
- Q. What percentage of them, as compared with those taken?—A dozen of lots along the river, or more perhaps.
- Q. How did you arrive at the value of the Neebing Hotel, for which \$5,029 was paid?—The intention was to pay the actual cost of the building, and we were furnished a detailed account of what the building had cost up to the time work had stopped, which, with five hundred dollars damages added to it, made up the amount.
- Q. Who furnished the accounts to you?—I think I got them through Mr. Brown's hands. They were furnished from Mr. Oliver's office. I understood the accounts were kept in Mr. Oliver's office.
- Q. What was the size of the building?—I have the dimensions and measurements in a book, but I have forgotten it. I measured it all carefully.
- Q. Could you ascertain from the report furnished?—I do not think it. I do not think the measurements of the building are given in it.
- Q. Who did you negotiate with in purchasing this building?—I saw Mr. Brown, Mr. Oliver and Mr. Henderson, who was living in the building at the time. He was the builder, and the Vice-President of the Company, I think.
- Q. Was Mr. Brown interested in the property?—I rather think so. I was under the impression he was, but I could not say.
- Q. What interest had Mr. Henderson in the property?—I understood he had two thousand dollars stock in the Company.
- Q. What Henderson is that? Where is he living?—He was living in the building at the time.
- Q. Where is he living now?—I could not say. I have not seen him for a year.
- Q. Who were the stockholders in that Company?—I know but very few of them. I understood that Oliver & Davidson were stockholders, and Mr. J. J. Vic ers of Toronto. I only know two or three of them.
- Q. Was Mr. Brown a stockholder?—I understood he was interested in the Company. I saw a list of the stockholders on one occasion, but I paid no attention to it.
- Q. But you understood that Mr. Brown was interested in the building?—Yes; I understood that he had an interest personally or through Oliver, Davidson & Co., I do not know which.
- Q. You based the value on the material that was said to be used in the construction of the building?—Yes.
- Q. Did you ascertain whether the lumber and other material charged in Oliver, Davidson & Co's. bill had been used in the building?—No. I went up twice to measure the building. I did not know whether it would be advisable to measure it, having the accounts, and I took it for granted, from what they assured me, that all the material had been used in the building.
- Q. You assumed that to be the case?—Yes.
- Q. What sort of a building was it, as to its appearance and general size?—It was a very temporary structure.
- Q. What kind of a frame was it? Would they call it a balloon frame?—It was what is usually called a balloon frame.
- Q. Was it a very substantial building?—No.
- Q. Was there a stone foundation under it?—No, only under a portion of it.
- Q. Are you aware to what extent did that foundation go; was there a cellar under it?—There was a stone cellar—a good sized cellar. I measured it but I have not my book with me. I should say that the cellar was about sixteen by twenty feet.
- Q. Was it laid up with lime and sand mortar?—No—it was principally flat stone—there was very little mortar in it.

Q. Was not blue clay used for laying up the stone?—Yes.

Q. Was there as much blue clay as stone?—No: not in the face of it.

Q. The building was not finished then?—No, there was very little of it finished.

Q. Had you any proof furnished of the quantities of material used when you made the valuation?—No, we did not determine the value of the building. There is an affidavit from Mr. Oliver with regard to the date the building was put on the ground.

On this 14th day of March, examination resumed:—

Q. Did you not make any valuation?—No. I had no knowledge of the quantity of material but by measuring it, which I did not.

Q. How did you ascertain its value if you did not make any valuation?—I was informed that the Government intended to pay the actual cost of the building, and their detailed account furnished by Mr. Oliver was the cost of the building, which I was to forward to the Government to investigate.

Q. Who informed you that the Government were to pay the actual cost of the building?—I think Mr. Brown and Mr. Oliver—both.

Q. Did you in any way certify the truth of the statement of material furnished by Mr. Oliver, or did you assume that the accounts furnished to you were the correct accounts of the material used?—I understood they were the lowest figures they would take as the actual cost of the building up to that time.

Q. Did you assume that those accounts, as furnished to you by Oliver, Davidson & Co., were correct when you sent them to the Government?—Yes.

Q. Did you take any steps to verify them?—No.

Q. When you sent them to the Government did you make any report on them?—I did not.

Q. Why did you not make a report? In sending them in that blank form you must have had some reason in not sending a report also?—My colleague, Mr. Reid, carried them down from Toronto to Ottawa, and he was to explain the report.

Q. And it was understood that he was to explain to the Government everything in relation to them?—Yes.

Q. You stated in your evidence when you were last examined that there was a cellar underneath the building, of stone; was the cellar wall underneath the sill and did it form a portion of the foundation of the building?—I think the building in the first place rested on posts. The posts were under the sill and it was built in with stone afterwards.

Q. But did the stone come underneath the sill; were the posts removed?—The posts were not removed, not all of them at all events. I am under the impression that the building rested on posts, independent of the stone foundation. I fancy a portion of the cellar at the corner formed a portion of the foundation of the building.

Q. Was this building lathed and plastered?—Only the portion of it that was over the cellar. One or two rooms were plastered I think.

Q. What would be the size of those rooms?—One room that I was in was perhaps sixteen by eighteen feet.

Q. Each of them was about that size?—I was not in the other. I was only in one.

Q. Do you suppose the other was about the same size?—About the same, I think.

Q. Look at the account, as furnished by Mr. Oliver, of the quantity of material furnished to the contractors—the account under date October 19th, “ten barrels of lime.” Do you think that ten barrels of lime were required to plaster those two rooms?—I was only in one of the finished rooms, but I was all through the rest of the house.

Q. Are ten barrels of lime charged in that account?—Yes.

Q. At how much?—Twenty dollars.

Q. Do you think that ten barrels of lime were required to plaster those two rooms?—No, I think not.

Q. Was the joiner's work done in the building?—To some extent.

Q. What is the extent?—The doors and windows of this furnished portion of the

building, and the stairway, without railing. A portion of the lower floor on the east wing was laid, and a part of the floor on the second storey over it.

Q. What were the dimensions of the building?—We call the north and south portion of the building the east wing; it was eighty by twenty-four feet. The west wing is eighty by thirty feet. A kitchen, which was finished, and woodshed, fifty by eighteen feet. The kitchen and shed are one storey, and the house is two storeys.

Q. What is the height of the frame?—I could not say; the ceiling is a fair height.

Q. Which portion of the house was complete; that is, had the joiner's work done?—The portion over the cellar.

Q. What was the size of it?—Thirty feet by twenty-four.

Q. That is the portion in which the joiner's work was done?—Yes, in the lower storey, that is, the plastering was done. The walls were plastered first-coat only, and the floor, I think, was laid on the upper storey.

Q. But no joiner's work was done on the second storey?—There was a considerable part of the floor laid, some studding up for partitions, and the stairway.

Q. Was there any painting done in the building?—I think not.

Q. Would you look at the account, as furnished by Mr. Oliver, and ascertain if there is any paint charged, and the quantity and cost?—Yes, I notice there are two entries, one of \$20 and one of \$18; together they make \$38, but it is charged at \$34.20, as there is a discount of ten per cent.

Q. Would you look at the account and ascertain the quantity of oil, turpentine and varnish that was furnished?—Twenty-five gallons of boiled oil, and 70 cts., apparently for the barrel, \$18.10; ten gallons of turpentine, at 80 cts., and two tins, each 75 cts., making \$9.50; five gallons of furniture varnish, \$6.25; one pound of lamp-black, 20 cts.; four pounds of venetian red, 14 cts.; and ten pounds of patent dryer, \$1.05; two pounds of yellow ochre, 6 cts., making in all \$34.45.

Q. How many doors were made and hung on the building?—I could not say.

Q. Were all the doors necessary for the lower portion of the building—that is, the east wing, hung?—The outside door and the kitchen door were on, and the doors were hung on that portion of the building that Mr. Henderson was living in.

Q. How many doors in all, do you suppose?—I could not answer the question.

Q. Would you look at the account and see how many doors are charged there?—I might mention that there was a pile of doors up stairs in the upper storey of the building at the time that were not hung, and some sashes. There are forty-four doors charged in the account.

Q. At how much per door?—One at \$7; one at \$4.50; 2 at \$4 each; fifteen at \$3 each; twenty-five at \$2.75 each, making in all \$133.25.

Q. Were the sashes in and the glazing done?—Only that portion of the building in which Mr. Henderson was living.

Q. And that comprised how many rooms?—The two plastered rooms. I was only in one. There might have been three rooms, as the front room might have been divided into two.

Q. But you could tell from the outside how many windows there were?—About four windows.

Q. Look at the account and see how much glass was charged?—The total amount is \$92.52.

Q. What is the quantity of glass?—Twenty-three boxes and 252 panes.

Q. Look at the account and see the quantity of sashes that is charged, and for which Mr. Oliver received payment?—Forty-three pairs; \$63.60.

Q. How much of the building was shingled?—Only a portion of the east wing and the kitchen.

Q. Covering how much?—I think about two-thirds of the east wing.

Q. What was the size of the wing?—Eighty by twenty-four feet.

Q. How many squares would there be in the part shingled?—I do not know.

Q. Look at the account and see how many thousand shingles were charged for by Messrs. Oliver & Davidson?—Forty-six thousand, amounting to \$161.

Q. Do you think it required forty-six thousand of shingles to shingle that portion?—No.

Q. How much of the flooring was laid?—I could not say positively, but I think most of the lower floor on the east wing was laid, and a good portion of the upper floor.

Q. How many feet of lumber would be required to lay the lower floor?—Nineteen hundred and twenty feet.

Q. Was there much of the upper floor laid?—There was a portion laid in the main building and in the wing.

Q. Making altogether how much?—I did not make any calculation. I did not measure the flooring that was laid, because there was a lot of flooring in the building not laid.

Q. Look at the account of Mr. Oliver, and see the quantity charged?—Fifteen thousand eight hundred and seventy-two feet, costing \$353.98.

Q. Look at the account, and see if four dozen of sash fasteners are charged there? Yes.

Q. Were they used in the building?—I could not say. I am not aware that any were used.

Q. What is the cost of those fastenings?—Nine dollars and twenty cents.

Q. How many locks and knobs were charged?—Six and three-quarters dozen of locks, and the same of knobs, charged at \$37.83.

Q. Do you think that those were used in the building?—Not all of them; a few of them were on the doors that were hung.

Q. There is a quantity of tin charged in the bill?—Yes; sixty-six feet of tin charged at \$6.60.

Q. Was that used in the building?—I did not see any.

Q. Were the chimneys built in this hotel?—One flue, I believe, in the portion of the building that was finished. There had been a brick top on it, but it fell off or mouldered away. It was brick made in the neighborhood, and it did not stand the weather.

Q. Were the chimneys belonging to the hotel properly built from the foundation? No; they were not.

Q. Who were the directors for this company?—I understood that Mr. Oliver and a gentleman who was living in the building (Mr. Henderson), and Mr. Vicars, of Toronto, were.

Q. Who did you get the accounts from that were furnished by the President of the Neebing Hotel Company?—I got them from Mr. Brown; they were furnished to him by Mr. Oliver.

Q. In those accounts do you find payment for two lots (lot 34 Water street and lot 34 South Fredericksa street) charged at \$250 each?—Yes.

Q. Look in the account furnished by Oliver, Davidson & Co., and see if the lots so charged there were included in the other account?—Yes.

Q. Making there the same total which is afterwards included in this account that Mr. Brown furnished?—Yes.

Q. Do the accounts show that those two lots have been charged and paid for twice?—They do.

Q. In whose handwriting is that account; of the Hotel Company's? I could not say; I think it is Mr. Brown's.

Q. Did you not give any certificate at all, as a valuator, for this money?—I think not, excepting the general report and return.

Q. How was the money drawn without your certificate? Upon whose certificate did the warrant issue for the payment of the money?—I signed the return.

Q. So you assumed the responsibility of certifying to the Government that there was due to the Neebing Hotel Company \$5,029.36?—My colleague, Mr. Reid, was to explain the matter when he went to Ottawa. We thought it would be more satisfactory than a written report.

Q. Had you any correspondence with the Government during the time you were acting as valuator, with reference to any points that came up?—No.

Q. Did it occur to you that it would be advisable to have got an affidavit from Mr. Oliver, or from Mr. Flannagan, his book-keeper, as to the quantity of material that was furnished for that building?—Mr. Oliver assured me that that was the very least that they would accept for the building.

Q. Did you not think it would have been important to have had that verified?—I think so.

Q. These accounts include a large quantity of material that was not, and could not have been used in the building—did you, as valuator, take any steps to see that these articles not used should be secured to the Government, or what would become of them?—We took no steps to secure it, not knowing that the Government would accept the building at those prices.

Q. Did the Government ever get any benefit from the materials, or do you know what became of them?—It was supposed that the property in the building was secured so long as Mr. Henderson was in possession of it. There was no certainty that these items would be acknowledged by the Government. Until we got notice that the account would be accepted by the Government, we did not consider that we had control of the material any more than we had over the building.

Q. How far is the Nebing Hotel from the railway dock?—Between two and three hundred feet, I think; it is just abreast of the dock.

Q. Mr. Oliver, in 1877, I think it was, wrote to the Government to say that he would take that building back, and refund the money. Could the Government accede to that under any circumstances? Was it not essential that they should have that ground, it being so close to the railway dock?—It was certainly important that the Government should have those lots, as they could not carry their track down the river very well without them.

Q. How far from the track is it?—It is about two-hundred feet.

Q. Could as good river frontage and station grounds have been got below Fort William town plot, on the McKellar, McVicar, and Hudson Bay farms, as where it has been located?—Quite as good.

Q. Could this line have been run from the West, without touching Fort William townplot?—Yes.

Q. Do you know where the Murillo station is?—It is the first station west of the present terminus. I am not aware of any obstacle in the way of running a track in at the rear of the town plot, and striking the river on the McKellar property.

Q. Would that line, striking the McKellar farm, be any longer than the present terminus?—It would be about the same length, if anything like a straight line could be obtained through the country for a track.

Q. Are you acquainted with that section of country?—I have been through it a good deal.

Q. What is the topography of the country?—It is a flat country, with low sandy ridges and swamps.

Q. Would you have on the McKellar farm, extending down the river, as good water frontage as there is on the present location?—I think so—of course we could extend it down the river.

Q. Would a large saving in right-of-way and terminal grounds have been effected, had the terminus been brought down below the town plot?—I think so. A good deal would depend upon what the property could be bought for from McKellar and McVicar.

Q. Would the dockage be as good as at the town plot?—I think so; the bank is about all the same, but it is somewhat lower there than at the town plot.

Q. Is there a chain reserve along the river which the Government could use for a railway track and dockage?—One chain was reserved along the river in the original survey, but whether it is now in the hands of the Government, I could not say. Pigeon River road has been built, back from the river a short distance.

Q. Was not a chain reserved along all the navigable rivers there?—Yes, but this road is back from fifty to a hundred feet from the river now.

Q. In the fall of the year would the river remain longer open at the McKellar

farm than further up towards the railway dock?—There would be very little difference.

Q. Is the river narrower and more crooked about the McKellar farm than it is below?—There are more bends in the river above.

Q. Is the river nearly straight below the McKellar farm to the Lake?—Very nearly.

Q. Then if it is necessary to do any dredging to widen the river, there would be less of it to be done by having the terminus at the McKellar farm?—Yes.

Q. Are you aware as to whether the river is wider from the McKellar farm down to the lake than it is above?—I never measured it, at least not for some years; I did at one time, but I have forgotten. I should fancy it is a little wider from the McKellar farm down to the mouth, but it is a question if the water is as deep close to the shore, as the banks shelve up more.

Q. If the water is not as deep, certainly in order to get to the town plot, vessels would have to pass the McKellar farm?—I don't refer to the centre of the river; I mean close to the banks, the water is not as deep as where they are more abrupt.

Q. From the Murillo station could a direct line, as good a line as to the McKellar farm, be got to Prince Arthur's Landing?—I know the general features of the country; it is flat with a good deal of swamp.

15th March.—Examination continued.

Q. I think the Committee understood you to say that you did not apply the Railway Act of 1868 to your valuations for the Pacific Railway terminus at Fort William?—I believe that Act was taken into consideration. A uniform value was established for the lands. At that time the round-house was being erected, and we paid no more for lands in the immediate neighbourhood of it than we paid for the lands at the other end of the reserve.

Q. The eighteenth clause of this Act, reads thus:—"The arbitrators in deciding on such value or compensation, are authorized and required to take into consideration the increased value that would be given to any lands or grounds through or over which the railway will pass, by reason of the passage of the railway through or over the same, or by reason of the construction of the railway, and to set off the increased value that will attach to the said lands or grounds against the inconvenience, loss or damage that might be suffered or sustained by reason of the company taking possession of or using the said lands or grounds as aforesaid." Did you take that clause into consideration?—To some extent. It was taken into consideration in this respect: that we paid the same for lands in the neighborhood of the round-house as we did at the other end of the reserve, three-quarters of a mile away. If that clause of the Act had not been taken into consideration, the lands there would have been worth more. In December, a uniform price was fixed with Oliver & Davidson, with regard to their lands throughout the town plot.

Q. But, in fixing that value, were you governed by the provisions of this clause; can you say whether Oliver and Davidson retained land or continued to own land at the time the valuation was made?—Yes, I believe they did. The question was taken into consideration as to the increased value given to the lots outside of the reserve that were cut off from the river front; it was considered that it would have a tendency to lessen the value.

Q. Were you governed by this clause in making your valuations of land there?—Yes, to a very great extent, as far as we considered the clause to apply to particular cases.

Q. I think you stated to the Committee, in the early part of your examination, that you felt in doubt about the question?—Yes.

Q. And that you consulted Judge Van Norman, and Judge Van Norman declined to give an opinion?—Yes.

Q. From whom did you then take your interpretation of the Act?—We took our own opinion with regard to the matter.

Q. Are you a lawyer?—No.

Q. Is your colleague a lawyer?—No.

Q. Did you interpret this Act without consulting a legal adviser?—I saw Mr. Brown.

Q. What was his opinion?—He thought it questionable whether the Act applied.

Q. Did you take your interpretation of the Act from Mr. Brown?—Not altogether.

Q. What other opinion did you take?—In our judgment, 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.

Q. The second clause of the second section of the Railway Act of 1868 reads as follows: "The said sections shall also apply to every railway hereafter to be constructed under the authority of any Act passed by the Parliament of Canada, and shall, so far as they are applicable to the undertaking, and unless they are expressly varied or excepted by the Special Act, be incorporated with the Special Act, form part thereof, and be construed therewith as forming one Act." I want to ascertain from you what legal advice you acted under in interpreting this Act?—Mr. Brown was our only legal adviser.

Q. Was he sent by the Crown to advise?—Yes; I understood so.

On this 18th day of March, reappeared the said witness and his examination was continued as follows:—

Q. How do you make it appear that by giving a uniform price to Oliver Davidson & Co., you had applied this act?—In consequence of the terminus of the railway being established there, lots in one portion of the reserve really became more valuable than in another. That increased value was not paid them. It was well known they were proceeding with the work on the round-house, but where the passenger station, for instance, was going to be was not known. We paid the same price for the lots all through the reserve as a rule.

Q. You say that the round-house was being built, and the value of the land was affected thereby; were you not instructed to value the land at its value before the terminus was fixed there?—The value at the time the terminus was fixed in 1875; at the value of the land then.

Q. Did not the Committee understand you to say on the first day of your examination that you did not apply that Act, that you did not see how it could be applied?—Yes; after taking the best advice we could get on the matter we based our valuations on the price, not the then price, but what the lands were supposed to be worth at the time the reserve was made. There were some other portions of the reserve a great deal more valuable than others.

Q. What do you mean by the best advice you could get? Legal advice?—Yes, we consulted Mr. Brown, Judge Van Norman and others.

Q. What did Judge Van Norman say?—He would not give me an opinion.

Q. Then did you not know that Mr. Brown was an interested party?—Yes; I was well aware of it.

Q. And that the advice he would give you in that direction if followed out would benefit him?—Yes.

And the further examination of this witness is continued until Wednesday, the 27th inst.

On this 27th day of March, reappeared the said witness, whose examination was continued as follows:—

Q. Had you any instructions from the Department, or from any officer of the Government, other than those before the Committee?—I had none.

Q. Had you any verbal or written?—I had no communication, verbally or otherwise, with them before or during the valuation.

Q. Had you any personal communication with Mr. Mackenzie, or any officer of his Department, anterior to your appointment?—I had not. I came down and saw him personally after.

Q. What is your experience of that section of country as a surveyor?—I commenced surveying at Lake Superior in the fall of 1864, and I have been in that country every season since.

Q. Have you had more or less surveys in that country over since?—Yes; I have been on surveys every season in that country, except three winters.

Q. Is there any surveyor who has had as much experience in that district as you?—I do not know of any one in the Province who has had as much.

Q. Do you know whether you were selected on that account, or have you any reason to know that such was the case?—I did not hear that I was selected on that account.

Q. Was the position sought for by you, or were you named?—I first heard of the position in the Crown Lands, I think, from Mr. Divine at Toronto, and I came down here to Ottawa, and went personally and saw Mr. Mackenzie.

Q. What occurred in that interview?—I asked if the survey and valuation of the land was going to take place. He asked me what lands I held or was interested in at Thunder Bay or that district. I told him I had none, mining or otherwise, in the municipality of Shuniah in which this town plot was situated.

Q. Did anything further of importance take place?—He asked me the same question again next day, I think. He went on to say I had been there and made extensive surveys, as if he doubted my word whether I held land interests there or not. A few days afterwards I got my instructions, and I saw nobody else but Mr. Mackenzie about the matter.

Q. You were present here, I believe, during the time Mr. Reid was examined as to the mode in which the owners were approached?—Yes.

Q. Do you concur generally in the evidence that he gave?—Yes; as to the price or the valuations that were established.

Q. Do you think now from all that has transpired, and the experience and negotiations you have had, that any better terms could have been made?—I don't think it—not for the land. Better might have been done with the Neebing Hotel property, but not with the town lots.

Q. Have you any knowledge of the amount that was paid by the Prince Arthur's Landing Railway Company for their land?—I believe they paid considerable more than was paid in the town plot per acre.

Q. Have you any experience of the value of lands at Prince Arthur's Landing?—Yes.

Q. Do you know the lands the Prince Arthur's Landing Railway Company secured in the town plot?—I do.

Q. How do the prices they paid compare with the prices you paid?—I believe they paid considerably more at the town plot of Fort William. At the time this right of way was paid for through the town plot—I mean the right of way for the Prince Arthur's Landing Railway—I was at Mr. Ley's office, and he asked me what it would amount to per acre. I remember the quantity of land was  $\frac{1}{16}$  of an acre, which, I think, cost \$1,100. He wanted me to tell how much they had paid per acre. He took the figures from the deed, I think. I had no personal knowledge either of the nominal amount or as to whether it was correctly stated in the deed.

Q. Have you any knowledge of the value McKellar asked for his lands, at the same time, in 1875?—I was told two or three times that for lots fronting on Pigeon River Road, north side, fifty feet frontage, he asked \$250.

Q. Had you ever any conversation with McKellar yourself about it?—No; I had not.

Q. Then, it is only heresay?—Yes; I was told it by several parties, and I had reason to believe that it was the case.

Q. Have you knowledge at all, from any other circumstances, what McKellar held his land at?—Mr. Knappin told me he had paid that, and pointed out two or three lots west of his place, between it and the town plot, that that price had been paid for it.

Q. You own no land in the town plot yourself?—I own none in the municipality.

Q. Did you try to acquire any other lands there?—I did. In that season—in 1876—I bought what was known as the Blackwood property, in Prince Arthur's Landing.

Q. That was subsequent to your appointment?—Yes; it was after my appointment. My appointment was in June, and I bought the property on the 31st August.

Q. Then you have some experience as to the value of land at Prince Arthur's Landing?—Yes.

Q. You surveyed a good many of the lots?—Yes; I surveyed the town plot in the first place.

Q. I will ask you this general question: What would have been the relative value of a terminus equal in size, at Prince Arthur's Landing, to the one already secured? What would have been the relative cost of it?—It would depend a great deal upon where the terminus would be placed.

Q. Anywhere along the front, between the Government reserve and the McVicar Farm that you have talked of?—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.

Q. What would the cost have been?—It would cost an enormous sum of money.

Q. Four times as much?—Yes; if you had taken up the same area in Prince Arthur's Landing, along the front, it would have taken two-thirds of the buildings of the town.

Q. Could not a terminus have been obtained there without doing that?—Yes.

Q. Was there a Government reserve there sufficient for the Pacific Railway terminus?—I do not think there is sufficient width on the lake shore in the reserve for a terminus.

Q. What is the breadth of the land lying along the Kaministiquia that is taken?—About four hundred or five hundred feet.

Q. Now, assuming that that proportion was taken along the front of Prince Arthur's Landing, what would have been the relative cost?—There is an average along at the Landing, taking Water street and the water front, a strip of land lying between that street and the shore, it would average one hundred feet. The intention in the survey was to make none of it less than one hundred feet wide. Water street is sixty-six feet wide, and in some places, with the reserve, it is one hundred and fifty feet from the buildings to the water. By building a sea-wall in the water, two hundred feet could be obtained there.

Q. What is the depth of water there?—It is quite shallow; you could wade out forty or fifty feet from the shore.

Q. Does a heavy sea come in there?—Yes; sometimes.

Q. Is the bank worn away considerably? Yes; considerably. They have built a sea-wall of crib-work along there for a considerable distance for the Prince Arthur's Landing Railway.

Q. To what extent?—Two or three hundred feet.

Q. Can you give us any idea of what it cost?—I could not.

Q. In valuing the lots on Water street at the town plot, did you value them as water lots or not?—They were termed water lots from the fact that they fronted on the street between them and the water, and would always be open to the water.

Q. But strictly speaking, did they go to the water?—No.

Q. So that the Government reserve would be between them and the water?—Yes.

Q. And the owner would not be able to build docks there?—The people are, generally, under the impression that they have a right to build docks there.

Q. But as a matter of fact they have no legal right to do so?—No.

Q. In valuing lands on lot number six Neobing, did you apply the Railway Act of 1868?—I did not consider that Act was fully applied in that case; that is, the increased value given to the balance of number six I do not think was taken into consideration. I spoke to Mr. Brown about it on the property, and he said we were not taking portions of lots, but whole blocks.

Q. The lot was then subdivided?—Yes; and the sub-divisions fyled and registered.

Q. Were you not aware that, although they were thus sub-divided on paper, that one firm owned the whole?—Yes.

Q. So that it was really one property although sub-divided on paper?—Yes.

Q. And so far as you saw it there, it was practically a farm, and on paper it was sub-divided?—Yes.

Q. In your opinion, was not the value of the remaining portion of that lot number six very greatly enhanced by the passing of the railway through it?—There is no doubt of it.

Q. What percentage do you think it was increased in value?—I could not say; the fact of the terminus being almost on the lot, and the terminal buildings, gave it nearly all its value. If there was no railway there at all it would not be worth ten dollars an acre.

Q. Did you take for the railway any of the lots on number six Neebing between the railway and the water?—No; we took a little strip off the lots in block "Y."

Q. But you did not take the water lots—the river lots?—No; we only took fifteen feet, or something like that.

Q. Those fronting on the river would be more valuable in your estimation?—Yes.

Q. When you sent down the account for the Neebing Hotel, did you suppose that the Government would pay the amount claimed, \$5,029?—No; I did not suppose they would. It was the opinion of both Mr. Reid and myself.

Q. You did not consider then that your insertion of that amount in your report bound the Government to take it at that price?—No.

Q. Assuming for a moment that the Kaministiquia is the best site for the terminus, is it your opinion that it would be more desirable to have the terminus on the straight run of the river, running straight out to the lake, avoiding the elbow, than to place it where it has been placed?—I would suppose that further down the river, opposite the bend where the Mission was, would be the better location.

Q. Do you think it would be better to have avoided this sharp bend for vessels?—Yes.

Q. Does the McKellar Farm adjoin the town plot?—There is the width of the street between it and the town plot.

Q. And next to that is the McKellar property?—Yes.

Q. And next to that is the Hudson Bay property?—Yes.

Q. The McKellar property being next the town plot, could it have been reached by the railway from the Murillo station without touching the town plot at all?—A straight line from Murillo station would strike the McKellar Farm without touching the town plot at all.

Q. You have been over the country a good deal between Murillo station and the river at the McKellar Farm?—Yes.

Q. Are there any engineering difficulties in the way greater than on the other line?—There are no engineering difficulties; perhaps there are deep ravines, and a little higher sand ridge than where the line now runs.

Q. No serious difficulties?—I think not.

Q. That bend has been a good deal spoken of, is it very considerable? Is there so much as would form an obstacle to navigation?—No; I think not, I think the height of the banks is worse than the bend; I do not think the bend is material.

Q. What is the height of the bank on the McKellar Farm?—It is considerable lower than at the town plot.

Q. Is not the water deeper under the high bank than under the low bank?—I think I have heard so.

Q. What is the width of the river at this bend?—300 feet, I think.

Q. Is it as much as that?—I think so; I have not measured it.

Q. Do you know what the length of the lock at Sault St. Marie is?—Five hundred and twenty feet.

Q. Would not this bend be a serious obstacle to a vessel of say three hundred feet in length?—Yes; it would.

Q. Does the bend approach the circular form?—Yes.

Q. What would be the radius of it?—I could not say.

Q. What is this bend composed of?—It has sand and clay banks.

Q. Would it be easily taken out and widened?—Yes; the extremity of the bend is low.

Q. Did you ever hear the late Mr. Hazlewood express any opinion as to the banks, whether in his view a high bank was more advantageous than a low one in loading vessels?—I did.

Q. What was it?—I could not say. He had some plan with which he was going to use to advantage the high banks of the town plot.

Q. Do you know whether he expressed any opinion in favor of the high banks?—He did.

Q. And he was the Engineer in charge?—He was.

Q. But you do not know what his plan was?—No.

Q. Is there any rock in that part of the river?—No.

Q. And not only could the river be widened, but a canal could be constructed there without difficulty if there was money enough to do it?—Yes.

Q. Do you know whether the Prince Arthur's Landing people paid Oliver and Davidson in a bulk sum for their lands, for the right of way for their railway?—I think so; I am not sure.

Q. Do you know whether it was all put in one deed—whether one deed covered all these parcels of land that were conveyed to the company, or whether they were conveyed in several deeds?—I could not say.

Q. Do you know how many lots this company pass through in the town plot?—I could not say. All I know is that Mr. Lees opened a deed and told me what fraction of an acre was taken in the town plot.

Q. What was Mr. Lees' object in asking you a question of that kind?—I do not know.

Q. Was he not interested in the lands at the town plot?—I think so.

Q. Was not this right of way secured for the Prince Arthur's Landing Railway a year after the terminus was selected at the town plot?—Yes.

And further deponent saith not.

HUGH WILSON.

COMMITTEE ROOM, No. 8.

SATURDAY, March 16th.

PETER J. BROWN, being called and sworn, was examined as follows:

Q. Where do you reside?—At Ingersoll.

Q. Are you familiar, and have you been for some time familiar, with the valuation of property at Fort William?—Yes; since 1872.

Q. Were you interested in the purchase made by Mr. Oliver that year?—I was not at the time, but I afterwards purchased the interest of Donald McDonald.

Q. What year was that?—In December, 1872.

Q. Then you went in with the firm of Oliver, Davidson & Co.?—Yes.

Q. Did you invest much money at Fort William in lands there?—Something over a hundred thousand dollars.

Q. And you commenced your expenditure in 1872?—Yes.

Q. I believe you put up a saw-mill in the neighborhood—in the Kaministiquia? Yes; in the island near it—Island No. 1.

Q. What is the attraction that made you invest this large amount of capital there?—It was the lumber and mining interests.

Q. Was lumber very high all that time?—At that time it was.

Q. What has brought lumber down; was it competition from the lower ports or from the United States?—It was from the south shore—from Minnesota.

Q. And prices have always been ranging sufficiently high to attract American lumber?—They have.

Q. That is practically the only competitor you had?—The only competitor. I believe, in 1873, there were a couple of schooners with lumber came up from Batchewana Bay.

Q. But they were unable to compete with American lumber?—They were not able to compete.

Q. Are you familiar with valuations of property made before the selection of this point for the terminus of the Pacific Railway?—The firm of Oliver, Davidson & Co. had sold several lots in 1873, 1874 and 1875.

Q. Can you point out on the plan the particular lots that were sold, and mention about the dates at which they were sold, and sales by any other parties of which you may happen to be conversant. Take lots twenty-five and twenty-six South Frederika street, for instance?—Lots twenty-five and twenty-six were sold by public auction in April or May, 1875, in Toronto.

Q. In 1875 or 1874, which? Have you any memorandum from the Registry Office that would be a guide to you?—Lot number twenty-six was sold to several parties in Fort William; and twenty-five and twenty-four were sold at auction in April, 1875, in Toronto. Lot twenty-five was sold to Captain Elwes, of Montreal, for four hundred and twenty dollars, and lot twenty-four was sold to George Henderson, of Toronto, for two hundred and seventy dollars; lot number eight, on Water street, outside the Railway Reserve, was sold to a man named John Duckworth, of Toronto, for two hundred and fifty dollars.

Q. Was that as valuable as the water lots on the front?—I do not think so.

Q. What was the extent of those lots?—They are half-acre lots in the town plot, in the old survey.

Q. Take lot twenty-two, south side Fredericka street; I understand that was sold in 1874?—Yes; that was sold in 1874 for two hundred and fifty dollars. It originally belonged to Oliver, Davidson & Co. It was sold to a man named Stevenson.

Q. What did the valutors allow for that lot?—Speaking from the valuations in the report provided me by the Minister of Justice from the Department, lot twenty-two is valued at two hundred and ninety dollars by the valutors. That is the lot bought from Oliver & Davidson by Stevenson in 1874—I am not sure but it was in the fall of 1873—for two hundred and fifty dollars.

Q. Take, on Gore street, lots thirty-five and thirty-six on the North side, do you know what those lots were sold for, and when?—I think Mr. Street was the owner. He is a resident at Prince Arthur's Landing.

Q. Do you know what the lots changed hands for?—I cannot tell you just now.

Q. Have you any recollection?—The valutors allowed two hundred and seventy-five dollars for them.

Q. Do you know what the parties paid for them?—I think it was sold for two hundred and fifty dollars. I know Mr. Street has built a very nice frame store on lot thirty-six, on the North side of Gore street, immediately opposite that. He owned it in 1875.

Q. Whom did he buy from?—I think it was from a man named Douglas.

Q. Do you know what he paid?—Two hundred and fifty dollars, I think he told me himself.

Q. Did he purchase both of those lots?—Yes; but I only know the price of one.

Q. Take twenty-five and twenty-six on the North Side of Amelia street, marked E on the plan?—They originally belonged to Oliver, Davidson and Company.

Q. When did they sell them?—In the winter of 1874.

Q. Do you know what they got for them?—I think it was one hundred and fifty dollars each.

Q. Were they taken for the railway?—They were not taken. The street fronting on the reserve is Fredericka street, and Amelia street is back of that.

Q. Do you consider lots there of equal value to lots on the front street, and what proportion of less value are they? I should say there is more than one-fifth difference in the value.

Q. Take lot eight on East Water street?—That originally belonged to Oliver, Davidson and Company; it was sold in 1873.

Q. What did they get for it?—I cannot tell at present.

Q. Were there any considerable number of lots sold at auction in Toronto in the years 1874 and 1875?—In April, 1875, there was a large sale of town lots sold by Mr. Blackwood.

Q. Who owned lot twenty-four on Water street?—I do not know.

Q. Do you know lot twenty-four on Hector street?—Yes.

Q. Do you know anything about the value of it?—I could not say.

Q. Was it taken for the railway? Yes.

Q. Take lot twenty-four, North Frederika street?—It was bought for two hundred and seventy-five dollars in 1875 at public auction, and was sold for the same money by Mr. Pearson.

Q. Who is Mr. Pearson?—He is a partner of Mr. John Leys, a lawyer in Toronto.

Q. Do you know anything about lot eighteen, North Frederika street?—Yes, that originally belonged to Oliver, Davidson and Company.

Q. When did they sell it?—In 1874.

Q. What did they get for it?—I think it was one hundred and seventy-five dollars.

Q. Take lot twenty-five, South Frederika street? That is the lot purchased by Mr. Elwes of Montreal in 1875.

Q. What did he pay for it?—He paid four hundred and twenty dollars.

Q. Was the selection of the town plot made prior to that sale, or was the plan of the requirement of the Government filed before that sale?—I do not know. The first time I ever saw it was when I went to Fort William in 1876. My memorandum is that it was filed the 3rd February, 1875, but Mr. Van Norman's is that it was in January.

Q. When were you first aware of the filing of the plan?—It was when I went to Fort William in June, 1876.

Q. When were you first aware that the town plot had been selected as the terminus for the railway?—I heard that it had been selected only through the newspapers.

Q. I ask you when you first got to know, not officially, but otherwise, that it was to be taken?—It was through the public press in the winter of 1874-5. That was the first I had heard of it, that it was officially announced through the press.

Q. You had no reason to believe that it had been selected earlier than that?—I heard it had been selected.

Q. Had you reason to believe earlier than that, that it had been determined on as the terminus?—I had no personal communication or official communication of it; all I saw was through the public press, and that was in the winter, as I said before.

Q. But before that you had no expectation that the terminus would be located there?—I will not say that,—I thought it would be there.

Q. Was that after the sale in Toronto?—It was about the same time, or prior to that sale in 1875.

Q. Have you a copy of the advertisement of the sale at Toronto showing the representations which were held out to the public to induce them to buy?—I have not got a copy of the advertisement, but representations were made in the sale advertised by D. M. Blackwood.

Q. Were they his own lands?—They were his own lands, not Oliver & Davidson's.

Q. He subdivided his plot and sold it?—Yes.

Q. Can you name the first time you became aware that the town plot was selected for the terminus?—It was in the winter of 1874-5 that I heard Fort William had been selected, but I did not know whether the Government were going to take one lot there or fifty. The advertisement of Blackwood's sale is in April, 1875.

Q. Was lot 32 north side of Gore street, belonging to Alexander McGregor, taken?—Yes; it is in the reserve.

Q. Do you know anything about the sale of that lot?—I know nothing about the sale except from McGregor himself. He paid \$300 for two-thirds of the lot to a man named J. L. Baker, Toronto.

Q. At what time was that?—It was in April or May, 1875.

Q. What did the valuers allow?—They first allowed him \$181. But he refused to accept that as he paid the money for the lot without any knowledge that it was going to be reserved. He paid it honestly and in good faith, and he was entitled to be refunded the whole amount, which he afterwards got.

Q. Did he insist on referring it to arbitration if that was not done?—Yes; and I had considerable correspondence with him on the subject.

Q. You have, as a lawyer, some familiarity with arbitrations. Supposing that case had gone to arbitration, what do you suppose would have been the result? Do you think it would have been possible to cut down the price the man paid for it?—I do not think it, and I so advised the valuers. Besides my own opinion, I took the opinion of Mr. James Bethune, Q.C., of Toronto, which confirmed my own.

Q. Do you know anything of lot 26 on the south side of Fredericka 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 Kincardine, and Cameron of Kincardine.

Q. Do you know what they paid?—I have a memorandum here, an abstract taken from the registry office, which shows that on the 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 Kincardine, who was his partner in the business at Prince Arthur's Landing for \$350; and ten perches to John W. Driscoll of Kincardine, merchant, for \$390. 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 sales 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, 1875.

Q. Can you turn to the valuers list and state what was allowed for those lots. Take Hoskings for instance, he paid, you say, \$150. Was his purchased in 1875?—Yes.

Q. What did the valuers allow to Hoskings?—That would come under the names of John Park, \$60, 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 \$250?—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 \$170?—Yes; he told me he had paid \$350, I think it was. Marks paid \$300, 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 had made that award. Finally, he took the money, and it was several months afterwards when he got it.

Q. What did Nicholson pay?—I do not know what he paid, he got \$40.

Q. And Driscoll?—Driscoll got \$100.

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

Q. Did he protest against it?—He did, and it was a long time before he would accept the valuation. He wrote me that if the amount had been larger, he would have taken the matter before the Dominion Arbitrators. He wrote me also that he had made a similar statement to the valuator.

Q. Those sales that you have been speaking of—the subdivisions of this lot appear to have been made in February, 1875?—On the 5th of February.

Q. That is after the registration of the plan, showing the reservation made by the Government?—Yes; some few days after.

Q. Showing that the purchases were for speculative purposes?—The valuator said there were a few lots for which they had offered \$100, but the owners refused to take it, and insisted that it should go to arbitration, whereupon the valuator awarded the full amount claimed. McGregor paid \$300, and they offered him \$181; he refused to take less than he had paid, and he got the full amount afterwards.

Q. Why was a different process followed with regard to McGregor's lot than was followed in other cases?—I advised the valuator that: because McGregor purchased the land in good faith, and without notice of the same, having been appropriated by the Government, that I believed he could succeed in getting back the full amount he paid before the Official Arbitrators, and I still think so.

Q. Did not Elwes know that Fort William had been selected for the terminus at the time he bought the lot?—He must have known that Fort William had been selected, but he could not have known that his lot had been taken.

Q. Can you give the Committee some information with reference to the Neebing Hotel?—I am one of the shareholders.

Q. That hotel was on two lots?—Yes.

Q. Do you know the amount of money actually paid for the land?—One lot, formerly belonging to Oliver & Davidson, was sold to the Company for \$250; that is, 24 North Water street; and the other was purchased from Mr. John Leys, of Toronto.

Q. What was paid to him?—Two hundred and fifty dollars.

Q. Were those monies actually paid?—Yes.

Q. Is Mr. Leys a stockholder in the Company?—Yes.

Q. For how much?—Two hundred dollars, I think.

Q. When was the Company formed?—In the winter or spring of 1875.

Q. Under an Ontario Charter?—Yes.

Q. Who were the stockholders and to what amount?—Adam Oliver, \$400; Joseph Davidson of Toronto, \$500; Brown & Wells,—my partner and myself—\$300—one hundred and fifty dollars each; J. J. Vickers, of Toronto, \$500; George Faulkner, \$100; J. S. McHannay, of Toronto, \$100; A. Mitchell, \$100; J. Duckworth, of Toronto \$100; W. D. Mackenzie, of Toronto, \$100; John Ritchie, \$100, and Robert Hay, \$100.

Q. Who is he?—He is a furniture manufacturer at Toronto. Robert Henry \$100; John McNab, of McNab & Marsh, \$100; J. D. Henderson, \$2,000; S. J. Keith, \$200.

Q. What were Henderson's political proclivities?—I do not know; I never heard him express himself.

Q. Is that the original stock list that you have quoted from?—A copy, and in the charter the petitioners are Oliver, McNab, Vickers, Henderson and myself.

Q. How was this Company formed?—By subscription as all joint stock companies are.

Q. Had Henderson any property there?—None, that I am aware of.

Q. Did those parties pay in their stock, or a proportion of it?—The most of them paid in their proportion—about half of them paid.

Q. I suppose the money was returned to them?—Yes.

Q. Does the amount returned to them exceed the amount they paid?—I could not say that.

Q. The Act of incorporation bears date the 3rd of February, 1876?—Yes; but the charter was delayed some three months in consequence of my illness. The application was made by my partner in June or July, 1875, for the charter. The subscription list, or stock book, was started in May or June.

Q. Have you seen the detailed accounts of material furnished for the Hotel?—The general account presented by the valutors is the only one of them I have seen.

Q. Did you discover an error in it of \$500?—Yes.

Q. When did you first discover it?—Yesterday. There are two lots charged twice at \$500.

Q. Whose error was it?—It is my own error. It was made in this way; I asked Flannegan, the book-keeper of the Company, to give me a memorandum of the account against the Hotel, and he did so, and he gave me the amount as in memoranda in my handwriting.

Q. Did you examine it when he gave it to you?—I did not because I had not the items of the account, and never saw it until yesterday.

Q. Is anybody else responsible but yourself for that error?—No; except Flannegan, the book-keeper. I do not suppose it is his fault either, but my own entirely. In the memorandum which he handed to me were included the two lots which were also included in the memorandum handed to the valutors.

Q. How was it that the error was not discovered when the entries were being made in the books?—I do not know.

Q. Did any one ever speak to you about it!—The first I ever heard of it was when Mr. Vidal pointed it out at the table here to this Committee yesterday.

Q. So that you are personally responsible for five hundred dollars?—Yes.

Q. Have you taken measures to repay that five hundred dollars?—I have; I paid it into the Bank of Montreal within an hour after the error was discovered. I never heard of the error, nor did I hear Mr. Oliver mention it, or any one else.

Q. I see by the Act of Incorporation that Mr. Henderson has paid in four hundred dollars on his stock. Is Mr. Henderson a man of means?—I do not know; he must have paid it in work.

Q. When he made application for the charter he must have made an affidavit that he paid that amount. When was this hotel commenced?—It was in May or June, the first boat of the season of 1875.

Q. You stated to the Committee the time you made the application, in June; then Mr. Henderson was to have paid it in before that time?—Not necessarily.

Q. The first order for lumber was given on the first of August. They made application for this Act of Incorporation two months before that, and Henderson could not have paid for it in work before that time?—The proofs were not required until September or October, at any rate the advertisement was given in, in June, 1875. The application was made in the *Gazette* for four or five weeks before, but the time the money is paid is when the proof goes in.

Q. What time did Mr. Henderson make this affidavit?—I could not say; or whether he made any affidavit. I was very ill at the time and it was done in the office in my absence.

Q. Were you up there at the time this hotel was transferred?—I was.

Q. Did you make any inspection of it?—I did not. I have been in and out of it, but I did not inspect it minutely.

Q. In the accounts I see there are paints, oils, doors and sashes charged. Did you see them there?—I saw in the halls of the building several doors and kegs of nails, but I never examined the matter and could not speak positively.

Q. You say you saw kegs of nails at the time the building was handed over; look at the account and see what quantity is charged in Mr. Oliver's account?—One barrel of No. 10 nails, and fifty pounds of shingle nails. That is all I can see in Henderson's account.

Q. If your Company have made no mistake in their account, you did not furnish many nails, consequently you could not have seen many kegs of nails in the house?—There must be another account. There is \$291.55 for hardware from McNab and Marsh charged.

Q. I suppose, as a member of the Neebing Hotel Company, you are interested in the account that Oliver, Davidson and Company charged against you. I see \$100

charged for interest, was that money due?—I never saw the accounts before; I never examined the books; I never saw any of the accounts.

Q. And you knew nothing about the division of the money received from the Government?—I had my share of it.

Q. Had you no statement of it, if not, how did you make up the account?—I made it up from memoranda furnished me by the book-keeper, Mr. Flannegan.

Q. When was the price of this hotel paid by the Government?—I reported the title in October, and issued my certificate for the amount sometime in October.

Q. Look at the account of McNab and Marsh, and say what is the discrepancy between it and your own statement?—The abstract is in excess of the vouchers \$82 in those two bills. The abstract amounted to \$82 more than the vouchers.

Q. With regard to the quantity of nails charged, do you suppose that these \$82 account for the quantity of nails used? Was the quantity charged?—I see in Henderson's account \$9, and in Oliver, Davidson & Co.'s account \$4.80—in all \$13.80 for nails. My impression is that one of those invoices was lost. I see, there is an item charged for freight on twenty-five barrels of nails \$13.50.

Q. Are you sure that those kegs that you saw contained nails?—I am as sure of it as I am that Mr. Aikins is sitting in that chair.

Q. Do you know what the freight is from Toronto to Fort William?—It is from forty to sixty cents per hundred weight, by the steamers, unless you get special rates for wholesale lots, when you can get it from twenty-six to twenty-eight cents; but if you send an ordinary parcel, you pay from forty to sixty cents a hundred weight for it.

Q. Was your advice asked with respect to the value of the land?—I gave no advice as to the value of the land. The first information I got of the values was from the Department of Justice, a copy of which report I now produce; but I did advise them to get affidavits as to the *bond fides* of that and all other transactions, where improvements had been made since the filing of that notice of the Government in February, 1875, and wherever it was found that the parties had acted in good faith, and without notice of such appropriation, they should be entitled to receive the actual cost. The valuers never informed me what their valuations were. I fancied that, being agent of the Minister of Justice, I should have been told by them, but I was not, and was obliged to get my information from the Department.

Q. Did you get up those affidavits?—I got up all but Oliver's.

Q. What was the purport of the affidavit?—The purport of the affidavit that I drew was to the effect that the matter was gone into as a *bond fide* transaction, and without notice of the appropriation, that they had gone and settled on these lands; that they had cleared them, and had never been notified by engineers that the land would be required; and I said then, and I say now, that if the matter had gone to arbitration they would have got the full amount.

Q. When you were getting affidavits with regard to other matters, why did you not furnish an affidavit from your own firm as to the amount of material you furnished?—It was outside my duty altogether.

Q. Were you not an agent of the Minister of Justice?—I was.

Q. Did you not think it important that the affidavit should be furnished?—I did not think anything about it. My opinion was not asked about it. My attention was not called to it, and I had no business with it.

Q. Do you not now consider it important that information should have been furnished as to the quantity of material, and in the same way that other evidence was furnished?—I do not know that what I think now has anything to do with it.

Q. Do you interfere in the business of the firm of Oliver, Davidson & Co.?—No; no more than any gentleman in this room.

Q. You were the agent of the Minister of Justice there, were you not?—I was.

Q. Was it not your duty to furnish all information that you could to the Department?—As agent of the Minister of Justice my duty was simply to get in

surrenders of titles, examine them, report thereon to the Minister of Justice, and issue my certificate for the payment of the money. My instructions were as in exhibit X.

Q. Had you any other instructions?—No; my duty was to examine the titles and see that the Government had a proper title. The valutors had nothing to do with that whatever.

Q. Did it not become a part of your duty to see that everything the Government paid for was transferred to some proper officer, and that those surplus stores that were transferred from the Neebing Hotel Company should be secured for the Government?—I had nothing to do with them, it being no part of my duty. That had nothing to do with the titles of lands. My wife is down here for three lots. As to the titles of her lots and those of my partner Wells, and the titles of the lands of Oliver, Davidson & Co., and of Caroline Davidson, I did not report on them.

Q. Who did report on them?—Mr. Fenton, Barrister, Toronto. I wrote to the Minister that I was interested in some of them through my wife; but the others I had no interest in, except the lands of Oliver, Davidson & Co., still I did not care to act on them.

Q. I should like a statement of the number of lots in which you were interested, either individually, as partner of Oliver, Davidson & Co., through your wife or any other person, and the prices?—Oliver, Davidson & Co., \$12,410, in which I have one-sixth interest; Mr. Thos. Wells, my late partner at Ingersoll, has a sixth interest; the other members of the firm, Oliver one-third, and Joseph Davidson one-third. In the Neebing Hotel Company I am a shareholder to the amount already named. Mary Brown, my wife \$725; that is all.

Q. I think you stated that you were at the town plot the time the Neebing Hotel was handed over to the Government?—I was there in June and July, and I came down in the middle of August.

Q. Do you think it would have been advisable, inasmuch as you were there acting on behalf of the Government, that you should have communicated with the Government and informed them that there was a large quantity of material there that ought to be put in charge of some officer?—It was no part of my duty, although I had a talk with Mr. Hazlewood, and said there were several buildings there on which I had reported the titles, and that he should take charge of them.

Q. I understood you to say that you did not report on the title of the Neebing Hotel?—I said nothing of the kind; I did report on it. I was interested in it simply as a shareholder and I passed that title. I informed Mr. Hazlewood that the Neebing Hotel with other buildings had been reported and paid and would have to be looked after. He rented the Neebing Hotel afterwards for \$20 per month; a little building belonging to a man named Munroe at \$12 a month; another to McLaren at \$80 per month, and McCarron was also paying rent; those houses were all on lands which I had reported and paid the compensation money for.

Q. To whom was this money paid?—To Mr. Oliver, as President of the Company, I issued the certificate.

Q. Was the money paid on your certificate at the Bank of Montreal?—Yes; it was on a legal certificate that the money was paid.

Q. Where was the money paid?—At Toronto.

Q. Was not the money all paid through some one bank?—I think it was paid at the Federal Bank. I got a form from the Department in which I filled in the amount, and signed as agent for the Minister of Justice.

Q. Were you on the ground before the building was commenced?—I was not, because, as I have stated, I was ill the whole summer of 1875.

Q. The valutors made no report on those accounts; you must have had some correspondence with the Government to know whether they would accept the building or not?—The only correspondence I had was I wrote to the Department of Justice for a copy of the report; that was the only correspondence I had with the Department except what I had with the Deputy Minister of Justice on professional business.

Q. Did you issue the certificates for the money before hearing from the Department that those valuations were approved by the Government?—I issued them on the report furnished me by the Government in 1876.

Q. Was it furnished to you before you paid any money?—Certainly. I did not know the amount without it; the valuers never told me the amount.

Q. The action of the valuers was not final, was it?—They did not say anything about it to me; It must have been final.

Q. The valuations, I suppose, were sent down at different times to the Department?—I could not say. I think they only made two reports.

Q. Mr. Wilson in his evidence states that his co-valuator brought down the Neebing Hotel papers with him, and he did not sign them as he was to make an explanation to the Department. Now when this report was sent to you by the Minister of Justice there must have been something in connection with it directing you to issue your certificates?—Yes, my instructions are filed as exhibit "X."

Q. I want to get at the finality of the valuations with respect to the valuation?—I had nothing to do with it. I got my instructions from the Department as they reported, and on that report I acted.

Q. You do not know whether the valuations were final, or were merely referred to the Government as an idea of the value, to be accepted by the Government?—I do not know anything about it.

Q. When the price was fixed with the parties, was it understood to be final?—Certainly.

Q. Was it subject to the approval of the Government?—No.

Q. The valuations were sent down to Ottawa for the approval of the Government, but were not final until approved of by the Government—is not that so? What I want to fix is the responsibility of the valuation. In the instructions to the valuers there is this clause: "You will understand that you are not authorized to close any agreements. All you can do is to settle on a reasonable amount, subject to the approval of the Minister?"—I have no answer to that, it being none of my business.

Q. Are you interested in any lots with Oliver, Davidson & Co. in the town plot, or outside the town plot?—Whatever lands are held in the neighborhood by Oliver, Davidson & Co., I am interested in.

The Committee adjourned till 10 a.m. on Saturday.

SATURDAY, March 16th.

The said witness, PETER JOHNSTON BROWN, reappeared, and his examination was continued as follows:—

Q. Is exhibit "D," now produced and shown to you, a photograph of the Neebing Hotel?—It is a photograph from the worst point of view. I do not think it is a correct photograph, but I recognize the building. Mr. Henderson had a tavern license for this building during the half year of 1875-6, granted by the License Commissioners of Thunder Bay.

Q. What was your opinion in reference to the valuations made by the valuers, on the point whether those valuations, in your judgment, were based on the then present value, or on the value at the time of filing the plan?—I think they were based on the value at the time of filing the plan in the spring of that year, and I so advised them.

Q. Can you give me any instance of lands sold during that year, the year 1876?—I can only speak of my own lands I sold on behalf of the firm.

Q. Lot eighteen, block "Y," whose was that?—It belonged to Oliver, Davidson & Co. It is about a tenth of an acre; that is in the survey that Oliver, Davidson & Co. made. It is part of lot six. A Mr. O'Connor has a hotel on the next lot.

Q. Is that inside or outside the reserve?—It is outside the reserve.

Q. When was it sold?—In the year 1876.

Q. At what price?—Two hundred and fifty dollars for a tenth of an acre.

Q. The ordinary lots we have been discussing were half-acre lots?—Yes.

Q. Do you know whether that lot has since changed hands?—Yes; I sold it to a man named Stephenson.

Q. Do you know if Stephenson has parted with it?—I know Stephenson was offered for that lot and the little hotel on it, eighteen hundred dollars last year.

Q. What is the value of the building?—I should say eight hundred or a thousand dollars. It is a very small building.

Q. What would that leave for the value of the land?—Perhaps eight hundred dollars.

Q. For land that he had previously bought from you for two hundred and fifty dollars?—Yes.

Q. When did he buy it from you?—In 1876.

Q. When did you buy that lot?—We bought it in 1872 or 1873.

Q. From whom did you buy it?—A man named Smith, a clergyman.

Q. How much did you pay for it?—Four hundred and eighty dollars for the whole lot, and then the arrears to the Crown, one hundred and seventy dollars. At any rate, the whole lot came to about six hundred dollars.

Q. Is that the consideration money in the assignment from him to you?—I never saw that.

Q. Is it not quite likely that the full consideration would be mentioned in that?—I should say so; whatever it was it was filed in the Crown Land's Office in Toronto.

Q. Are you quite sure about the consideration paid?—I think so; I think it was four hundred and eighty dollars.

Q. How many acres were there in that lot?—I think it was one hundred and thirty-seven acres; somewhere about that.

Q. And you sold this lot for the price you name, after the hotel was built?—Lot seventeen was sold to Stephenson in 1874 or 1875, when the hotel was built, that is the O'Connor hotel.

Q. When was lot fifteen, block Y, North Water street, sold?—That was sold in 1876.

Q. Is that in the Reserve, or outside?—Outside.

Q. To whom was that sold?—Thomas Marks, for three hundred dollars.

Q. What is the amount of land in that?—About a fifth of an acre.

Q. Take lots twelve, thirteen and fourteen, block Y; they were sold some years ago; who bought them?—A man named Ingald; he paid eight hundred dollars for that property.

Q. When was lot eight, block Y, sold?—In 1876.

Q. What did that bring?—Four hundred dollars.

Q. What did lot seven, block Y, bring?—Two hundred and fifty dollars.

Q. How close is that to the reserve?—Lot seven is a small lot fronting on the railway.

Q. Were all those lots bought from your firm?—Yes.

Q. And all bought since 1876?—Yes.

Q. Where are lots seven, eight and nine, in Block W?—It is fronting on the Railway track.

Q. What is the size of those lots?—They are very small. They are cut up and I cannot give you the area. They are much under a fifth of an acre.

Q. The usual run of the lots, included in the reserve, is half an acre?—Yes.

Q. Take lot thirty-nine, Gore street?—That is in the old town plot.

Q. These other lots sold were part of lot six?—Yes.

Q. Can you give me any information as to what lot thirty-nine, Gore street, sold for?—It is a half-acre lot. Half of it has been sold. It belonged to my wife. A quarter of an acre has been sold. It brought six-hundred dollars.

Q. From whom did she purchase?—From the Crown.

Q. When?—In 1873, I bought five lots.

Q. Is that in the town plot?—Yes.

Q. What did you pay for them?—Four dollars a lot.

Q. In 1873, had you a position up there?—I was Reeve, in 1873 and 1874, of the municipality of Shuniah. It embraces several townships.

Q. It included the town plot of Fort William?—Yes. It included sixty miles. It extended from Pigeon River down to Black Bay.

Q. What was the population then?—The only population at that time, was at Fort William, Prince Arthur's Landing, and Silver Islet—mining places.

Q. When you were Reeve, did you, in conjunction with the municipality, bring the subject of the terminus under the notice of the Government?—I did. When it was discussed as between Thunder Bay and Nipegon, I was appointed one of a deputation with Mr. Marks, Mr. McKellar, and Mr. Adam Oliver. We recommended that the terminus should be at Thunder Bay.

Q. Had your firm, at that time, large interests in Prince Arthur's Landing?—Yes; and we still have.

Q. Are your interests at Prince Arthur's Landing larger than at Fort William?—We have more land in Prince Arthur's Landing than we have at Fort William, exclusive of lot six adjoining.

Q. Would your interests have been subserved more if Prince Arthur's Landing had been selected for the terminus instead of Fort William?—It would have been equally as well.

Q. What were the terms of payment for those lots?—Marks paid cash; Stephenson paid cash; Ingalls paid, I think, one-fourth down, and gave a mortgage for the balance. All the others paid part in cash, and gave mortgages for the balance.

Q. The purchases were all *bona fide*?—Yes; and buildings have been erected since on nearly all of them. Marks has built a fine store since.

Q. Do you know anything about the value of lands at Prince Arthur's Landing in 1873, 1874, and 1875?—Yes; I sold five parcels in 1873, on Arthur street, the main street.

Q. Give us the prices?—In 1873, on part of lot three, East Arthur Street, I sold to three parties. Cameron of Kincardine bought twenty-two feet at twenty dollars a foot; a jeweller (I forget his name now, but he is there still) bought twenty feet at twenty dollars a foot; Wilcox & Pew, tailors and clothiers, bought twenty feet at twenty dollars a foot, and they have since paid for them. There is another parcel of sixteen feet, I forget now who purchased that, but there were four parcels sold.

Q. Have the prices of lots in Prince Arthur's Landing ruled very high always?—They did that year and the year following.

Q. Do those prices still continue?—Not so far as I know. I have not sold any lands since. The price that year was in consequence of the mineral interests.

Q. Do you know of a public sale in the year 1872 or 1873 of lands rather outside the business parts of the town?—In 1872 the lands in Prince Arthur's Landing were sold by public auction by the Crown, and ours were purchased from the Crown.

Q. What were the prices at the sale?—I do not recollect. Our firm have several park lots.

Q. Can you give an idea of the value per acre?—I could not say. We have about thirty or forty acres in the town plot of Prince Arthur's Landing. Our taxes last year were about one hundred and twenty dollars in Prince Arthur's Landing.

Q. Do you know the place where Blackwood lived?—Yes.

Q. Are you aware what that property has been sold for?—Yes; I think he sold it in 1876; he sold a portion of it in 1876.

Q. What buildings are on that property?—His dwelling and store, and post office; it formerly was the post office.

Q. What kind of buildings were they that were on it?—Very good frame buildings.

Q. Well finished?—Yes; I think so, fairly finished and painted.

Q. What was the house?—A very comfortable frame house, a storey and a half, I think.

Q. Do you know when that was sold?—It was sold, I think, last year.

Q. For how much?—I think it was twelve hundred or fourteen hundred dollars I drew the agreement. It was sold to Mr. Wilson and Mr. Dawson.

Q. Does not the Government own a large reserve at Prince Arthur's Landing?—They own the usual water front.

Q. Is there not a ten acre block?—Yes.

Q. What frontage has that?—It has an area of nine acres seven roods and ten perches.

Q. And they have the water frontage?—It is always reserved; the usual frontage.

Q. You say it is all occupied. Who occupies it?—I suppose there must be thirty or forty buildings on what you call the water reserve.

Q. Have the patents issued?—I believe there has been a patent issued to Marks where he has his dock.

Q. Are they not simply fishermen's huts—squatters?—They are comfortable cottages.

Q. This plot would have been easily approached with a railway?—I do not think it is possible. The Fort William Railway has not been able to come there. I purchased in 1876 several lots from our own firm with money I had for my children. I invested in lands up there. One of those lots is lot six, in block "T," a fifth acre lot. They took one-fifth of the fifth of an acre, for which they paid me eighty dollars for right of way for the Prince Arthur's Landing Railway. I bought this lot, with other lots, from the firm of Oliver, Davidson & Co., and gave my own firm the same rate that they gave to the Government. They sold them cheaper to me than they would to the public.

Q. Can you give me the average of what was paid for the Prince Arthur's Landing Railway lots?—Running back through the town plot of Fort William, towards Prince Arthur's Landing, Mr. Davidson was paid, for a little over half an acre, eleven hundred dollars.

Q. Do you know whether any averages have been fixed, or any estimates made of what the average was?—I do not know.

Q. Outside of that, do you know what they had to pay for the land?—I do not know.

Q. Do you think they paid you and Mr. Davidson more than they would have paid any one else?—I do not think so; they are not very friendly.

Q. You told us you represented the Government at the town plot of Fort William?—I was acting for the Minister of Justice. I had no agency but simply to get in those titles.

Q. Still you were in the Government service, and if you thought there was anything to report to the Government you might have considered it your duty to report it. Did you ever represent to the Government that the railway might be taken to the water and to a better terminus than has been selected without touching the town plot at all?—I did not; and I think the Government would have considered it a piece of impertinence on my part if I had done so.

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 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 dockage 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, and 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.

Q. Are you acquainted with the McVicar farm at the Landing?—Yes.

Q. Could station grounds have been attained on that property? Is it built on, or is there merely a private residence?—Merely their own private house.

Q. How far is it from the railway dock to the nearest corner of the McVicar farm, at Prince Arthur's Landing?—I should say it is not more than eighty rods.

Q. That is about a quarter of a mile?—I think it is not more than that.

Q. That property is not built upon?—No; certainly not.

Q. So that a quarter of a mile below the town plot at Prince Arthur's Landing; land could be obtained that could be used for station grounds?—Yes; but how could you get there? You would have to go through the town plot of Prince Arthur's Landing, and it would cost a great deal more.

Q. Where does the eastern terminus of the railway that is constructed from Prince Arthur's Landing to the town plot run?—It terminates in front of Mr. Mark's warehouse.

Q. How does it come along the bay-- does it come through the centre of the town plot where it is built upon?—It occupies the street and a portion of the water front.

Q. There would have been no difficulty then in extending it from the present terminus down along that reserve to the McVicar property?—I am not an engineer, and am not qualified to give an opinion on that.

Q. Are you a partner of the firm in the telegraph line from Fort William West?—I am.

Q. You have some idea of the value of building. What is the percentage over the ordinary cost in Ontario for building houses in Prince Arthur's Landing or Fort William?—They calculate at the ordinary cost in Ontario, and then put on about forty per cent.

Q. What could brick be obtained there for?—I do not know.

Q. What could lumber be obtained for there in 1875?—From \$10, \$12 to \$14 per thousand, and shingles at \$2.50 to \$3 or \$4 per thousand.

Q. What did you charge for them?—We charged from \$2.50 to \$4.00 per thousand. We did not charge the Government any more than we charged any other customer.

And further deponent saith not.

P. J. BROWN.

OTTAWA, 18th March, 1878.

ROBERT REID, called and sworn, was examined as follows:—

Q. Where do you reside?—London, Ontario.

Q. Are you at present Collector of Customs at London?—Yes.

Q. Were you Collector of Customs at the time you received this appointment as Valuator for Lands at Kaministiquia?—No; I was appointed Collector of Customs in January last.

Q. Were you appointed as Valuator by the Government in this Kaministiquia matter—I was.

Q. Have you a copy of your instructions from the Government?—I have; they are now filed as Exhibit "H."

Q. Have you got a copy of the instructions to Mr. Wilson, your co-valuator?—I have; Exhibit "I," now produced, is a copy of them.

Q. Do those two exhibits embrace all the instructions you received?—Yes, of course; Exhibit "I" embraces more particularly Mr. Wilson's Work as Surveyor.

Q. Beyond these you received no other instructions?—No.

Q. Had you any interest at Fort William?—None.

Q. Had you ever any?—Never.

Q. Had you any interest with any parties living there?—None of any sort.

Q. Explain to us precisely what you did when you first went to Fort William to carry out those instructions. Did you and Mr. Wilson go up together, or separately?—I suppose, by some mistake, we did not get our instructions at the same time; the appointments were made at the same time, but the letter missed me. The first letter sent to me miscarried, and went to London, England. I had a telegram from Mr. Mackenzie asking me if I could go up to Fort William by appointment to do some work in the way of valuating those lots.

Q. Have you got that telegram?—I have not.

Q. Could you give us its date?—June 9th, I think.

Q. That is the same date as the letter of instructions to Mr. Wilson?—Yes. I telegraphed back at once that I could go and to send on instructions. A telegram came, that instructions had been sent, but they had miscarried, as I already told you. Up to the 20th, I still remained, expecting the communication, and I then telegraphed back to the Department asking why I had not received the instructions. They telegraphed me that they would send on duplicates; that they had sent instructions on the twelfth. I did not get instructions until the twentieth on that account; consequently I proceeded by myself to Fort William, where I expected to have met Mr. Wilson. I think I had a communication from him to meet him sometime before I got the instructions. I had never seen Mr. Wilson before and did not know him personally.

Q. Did he arrive before you?—Yes; he was there before I went up, awaiting my arrival.

Q. That would have been about the end of June, I suppose?—Yes; nearly the end of June. About the 24th I arrived at Prince Arthur's Landing. We, of course, consulted together to see what our duties were. His duties were much more onerous than mine were—he had the surveying of the property as well as the valuation.

Q. Was that the survey of the part that was selected?—Yes; the entire survey of the road from Fort William West, and the survey of the land that was to be reserved. Our object was, of course, to ascertain the value of the land.

Q. Explain to us now how you went about that; did you go on the ground in the first instance?—We went on the ground and travelled over it. I think we took about a week in travelling over the ground from day to day before we approached any owners about it—we travelled several days, at all events.

Q. Did you make any enquiry as to the value at which such lands were held?—Yes; we made several enquiries from parties who occupied lots, found what they had paid in several cases, and got at something like a knowledge of the value by that means.

Q. This was in June, 1876?—Yes.

Q. Did you take the then existing value of the lands, what the parties considered they were worth, or what basis did you take as to time?—We took the basis previous to the time the reserve was made.

Q. You practically went back a year then?—Yes; we found that a number of parties had purchased in 1874 those lots that they occupied in the town plot.

Q. Did you think that established the very best basis of valuation?—We thought it was a starting point.

Q. Did you make your enquiries sufficiently exhaustive to satisfy you that those sales were *bond fide* and honest?—We found in some cases they were not *bond fide*.

Q. You analyzed the cases then?—In general we accepted it as being a fair evidence of value.

Q. Was it on that evidence you predicated your valuation?—Yes; upon the basis of what we found lots had been purchased for, and been selling for, at the beginning of 1875, and the end of 1874.

Q. Had you a plan with you?—Yes, we had plans of the lots—Mr. Wilson had plans with him; I had none.

Q. How long were you employed in the plot in seeing the parties and arranging with them about prices?—We were more or less employed during all that summer. Many parties whom we could not see lived at a distance and had to be communicated with. Some parties could be communicated with more easily, but it took all the summer to close the matter up.

Q. Did you meet much difficulty in arriving at what you thought a fair valuation—in other words, were the prices in excess of what you proposed?—There was not much difficulty about that. We got a general basis for our work, and when we found any case going beyond that, we took pains to see that it was a *bond fide* case. We found several cases in which the valuation was absurd.

Q. Have you got any memoranda, made at the time, of the lots you secured first, in detail, those that you first purchased, or the prices first fixed upon—I mean in order of time?—I fancy that in the report the order of time is given; as far as I can remember, I may state this town plot divided into lots numbered from one up to the final lot, and we commenced at number one.

Q. On the list I have here there is a lot of which George Munro is reputed to be the owner—18 Agnes street—was that the first valuation?—The first valuation, I think, was of lot one on Fredericka street.

Q. Did Mr. Wilson survey the lots in the town plot?—I think not, I think he simply surveyed the right of way. When I speak of settling with any parties, I think now that Oliver & Davidson's claim was the first we had a final settlement of. We had met with the other owners and talked over the valuation, etc., but I think we closed with Oliver & Davidson for all their lots in the town plot first; they had their lots in such a shape that we could not miss them. The others were scattered and difficult to deal with.

Q. You think in closing with them you discussed with other parties as to the valuation?—Of course.

Q. Were you aware that if the price asked was, in your judgement, 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.

Q. Have you got any memorandum with reference to that lot particularly?—I can tell you the circumstances very easily: we found, on approaching the party who was registered for it, that he had sold portions of it.

Q. To whom did this lot belong?—It belonged to Ambrose Cyprette. We found that there were six parties in the lot. It had been divided into six parts, and each one had purchased a portion.

Q. What had they paid in the aggregate for the portions they held?—Park said he paid \$300 for his portion, and Cameron had paid \$150 for his.

Q. Had you any evidence of the aggregate amount those parties paid for the parts of that lot?—We had no evidence that they paid anything. In fact, we had great doubt about the price and we could not pay it, and it would have to go to the expense of arbitration. I closed with Mr. Ramsay, one of the parties who said he had paid \$330 for his portion.

R. What did you give him for it?—\$100.

Q. And what to the other parties? Driscoll, for instance?—I did not deal with him. Mr. Wilson did, and gave him \$100 for his part.

Q. Did he state what he paid?—I don't know what he paid. I think the way Ramsay paid for his was, that the party who owned that portion of the lot was owing Ramsay, and he gave him a mortgage on the lot as payment for \$330.

Q. Can you give us any idea of the percentage that you allowed on that lot as against what they alleged they had paid?—I think we gave about thirty per cent of their claim. We went beyond our basis even then.

Q. That was one of the highest priced lots?—It was the very highest.

Q. How long were you discussing this matter with the parties? Was it settled in a day, or an hour, or did it occupy considerable time?—It occupied nearly two months. We had to visit those parties, negotiate with them, and get them to perceive the absurdity of their claims, assuring them that they could not be allowed, and deal with them in that way; of course, there were some of them—Ramsay for instance—who, I am satisfied, paid \$300 as value. He did not know the value of the property, and took it in good faith from the party he got it from. Of course he felt very keenly at losing \$200.

Q. Did you negotiate with him yourself?—Yes; I did.

Q. Where did he live?—In Toronto.

Q. Do you know the date of his mortgage?—No; I do not.

Q. What was the value of that lot 26—the whole of the sub-divisions of it together—how much did that lot cost the Government?—We valued it at \$400; but coming to deal with five or six parties we had to relax a little.

Q. What was the price given for that by the Government?—\$540. They claimed \$1,670; what was paid was about thirty per cent. of what was claimed.

Q. From the circumstances connected with that lot and from your experience subsequently gained, do you think it would have been advisable for that case to have gone to arbitration?—No; I think not.

Q. Do you think you could have done as well by going to arbitration?—I think the parties would have got more.

Q. It would have cost more if it had gone to arbitration?—That is the conclusion I came to in my own mind. From the number of parties that would have to be dealt with it was better to close it up the easiest way possible. I knew none of the parties personally but Mr. Park.

Q. Had you any business connection with them?—No; none.

Q. Have you got the names of the parties there?—Yes.

Q. What are they?—Marks, Cameron, Ramsay, Nicholson, Park, Hoskin and Driscoll.

Q. How long were you dealing with this particular lot? What time did it occupy?—I think I settled ultimately with Mr. Ramsay sometime in August.

Q. I mean was it at a general meeting of all the parties called together to discuss it, or as you could get them to agree individually?—It was separately, as we could get at them.

Q. Can you give us the details of any other lots?—In fact one lot is pretty much the history of them all. We dealt with Mr. McIntyre without much difficulty; we gave him the basis on which we were settling for lots.

Q. McIntyre is the Hudson Bay factor there?—Yes. Mr. Plummer, his son-in-law, we settled with on the same basis—\$275. They got for their half-acre lots, some of them, one or two, three-quarter lots—\$300 each. Then there is Mr. McLaren's

case, in which we had a good deal of negotiation. He had eight lots on Hector and Water streets. McLaren is an old settler who had lived there for the last thirteen or fourteen years. His is a very large item; next to Oliver and Davidson, he was the largest we had to deal with.

Q. Describe your negotiations with him, and how you approached him?—We met him at his place, and had several conversations with him as to value, and got at his own mind.

Q. What was his own mind?—It was that he should have \$6,000. His lot was thoroughly cleared. He had been living there for twelve years, and had cleared, fenced and formed his lots. He had a nice little homestead dwelling house and buildings, and a store where he did a little commerce with the Indians in the winter. The store had a miscellaneous stock in it—staple articles for barter. Of course, it was taking away the man's entire homestead.

Q. Had he any other lands outside of it in that neighborhood?—I do not know.

Q. What kind of buildings had he?—Just the common log buildings of the country.

Q. What do you think his homestead had cost him?—According to his own account, it had cost him, counting his own labor, about a thousand dollars for the storehouse.

Q. That was his own estimate?—Yes.

Q. Do you know what size it was?—It was a good sized country log house; it had counters in it, and was fitted up with shelves.

Q. It was where he traded with the Indians?—Yes. We valued the store at \$550 and the dwelling house at \$450; another dwelling—a small one—at \$100, and then a warehouse, where he kept his surplus stock, at \$150; it was a log barn.

Q. Have you got the size of those buildings?—No; I have not. We settled with him, however, for \$4,600. The lots were in much finer condition than any other lots in the neighborhood.

Q. What is the state of cultivation there?—It was as good as you could get it there, which was not much. He raised his own potatoes and oats, etc.

Q. It was not the state of cultivation found about London?—No; not quite.

Q. Would you be able to get this building in London at that figure?—There is no such building in London at all. It would take more to build such a building in London now than that. I have no doubt that the building cost Mr. McLaren that. He is a very honest man, and I would take his word at once. He said that we were taking all he had, in a word, his homestead, and that he should be liberally treated by the Government. He had been an old settler there, and had raised a large family of six or eight children.

Q. Were you influenced by sympathy for him and his family in your valuation of the property?—No; if we had been we would have given him the \$6,000.

Q. How many lots had he?—Eight lots; about four or five acres. He had a steam tug that he plied between his own place and Prince Arthur's Landing, and he had a wharf at his own place. He was in rather comfortable circumstances.

Q. Describe the wharf?—It was constructed on piles driven into the river, with plank laid over it.

Q. Do you mean posts or piles that were driven down by a pile-driver?—I could not say; there were large posts, heavy timber, laid into the river, on which the plank rested. It was one of the best wharves there.

Q. At all events, the tug landed there and he got his goods landed on it?—I have no hesitation in saying that this man McLaren was closed with much more advantageously than an arbitration would have done.

Q. You think an arbitration would have had more sympathy than you showed on the occasion?—Yes; I think so.

Q. At all events, the award was very different from his own views when you first went to see him?—We took those lands on our own valuation and then allowed so much for the fences and the cultivation he had bestowed upon the lots, which made them worth more.

Q. In forming your basis, did you consider and apply the provisions of the Railway Act of 1868 to the valuations?

MR. SCOTT objected to this question, as the valuator had taken all the land McLaren had, and left him no other land that would be benefitted by the railway.

Q. Who had the largest claim?—Oliver, Davidson and Company.

Q. What was their amount, exclusive of the Neebing Hotel?—It was about \$20,000 including the Neebing Hotel; and was \$12,410 exclusive of the Neebing Hotel.

Q. But for the property outside the town plot belonging to them—lot No. 6—as you settled with Oliver, Davidson and Company first, the basis was in that way?—No; we had fixed on the basis before we dealt with them; that is, we had arrived at what lots of half an acre would be worth.

Q. How had you arrived at that basis, or at what time did you take the value? When was the terminus fixed there?—I think it was in 1875; of course, the valuation went up in 1876.

Q. And you took the best price you could get the lands for, not as they were in 1876?—No; we took as our basis the prices they sold at previous to 1875. We found that lots had been sold from \$200 to \$300, and \$400 per lot in 1874.

Q. Was that before it was pretty well known that the terminus of the Pacific Railway would be there?—I do not know; I did not know anything about the terminus before I went up there.

Q. Do you think the lands would have been worth anything like that without the terminus being located there?—No; unless there was a town growing there.

Q. Do you think it is likely that a town would have grown there without the railway?—Not unless it was to be the head of navigation.

Q. Do you think it would have become the head of navigation for a town?—No.

Q. Do you know what the value of lands was before it was known that the terminus was to be located there?—No; I have no knowledge, but what I ascertained when we went up there by ascertaining what lands had been sold for at auction, and in other ways.

Q. Was not that land sold at those prices because of the fact that the terminus was to be located there?—I know that lands were sold for double what we bought them for since the terminus has been fixed there. I have no doubt that the railway enhanced the value of property; unquestionably it did, because the lots have been selling for double the price that they were bought for previously.

Q. Supposing that you were to take and buy the lands, now that the railway has been established there, what would those lots cost to-day if we had to go and buy them?—You could not buy them for less than double what the Government have got them for.

Q. Suppose you had gone there before the Government had let out the announcement that the terminus was fixed there, what would you have paid for the lots?—Personally, I am not a speculator, and I would not have given anything for them.

Q. Did you consider in fixing your general basis whether the Railway Act of 1868 was applicable?—I had it in my mind all the time, because it was part of our instructions.

Q. Where does that appear in your instructions?—Accompanying my instructions, which I received from the Public Works Department, was a copy of the Act, with the clause marked that was to govern in the matter.

Q. Did you take any legal opinion as to the application of the Act?—Yes; I did, after coming down from Fort William, the first trip I made.

Q. At what time did you come down?—In the end of July, sometime.

Q. Whose opinion did you take?—Mr. Bethune's.

Q. Did you come down to consult a lawyer?—Yes; I asked Mr. Bethune's opinion as to the effect of the Act.

Q. Were you instructed to consult with Mr. Bethune?—No; I was not.

Q. Have you his written opinion?—No; I did not get a written opinion.

Q. Was not that consultation after you had fixed upon the value and settled with the parties?—No; we had not settled with them all.

Q. Did you consult any other lawyer?—No.

Q. Did you go back again to Fort William after that?—Yes.

Q. Was Mr. P. J. Brown assigned to you as legal adviser for the Government?—Yes; I think we were asked to consult with him in relation to the conveyance of the property, to see if the titles were right.

Q. Had you any other instructions with reference to the person who was to advise you but what are in that paper?—No; I understood that Mr. Brown was appointed to see that the titles were right in all lots in which he had no interest himself. There was a young gentleman from Toronto, who made the conveyance, as I understood, for Oliver Davidson & Co.

Q. Did you consult Mr. Brown?—Mr. Brown gave his opinion on the matter; of course, I did not pay any attention to his opinion.

Q. What was his opinion?—It was that the Act did not apply. I did not ask Mr. Brown's opinion.

Q. Did he give his opinion without being asked?—I had his opinion without being asked. On one occasion, in speaking of the matter, he said he did not think it did apply.

Q. Had you a conversation with him on the subject?—No more than I have stated. I think we were talking about the lots on one occasion and he was speaking of the Act and the effect of the provision of it, and he gave his opinion.

Q. Was not that having a consultation with him on it?—Yes, to some extent.

Q. And in the course of that consultation he said he did not think it applied?—Yes.

Q. Were your valuations final, or were they provisional?—They were final, I believe, for the parties agreed to our valuation; of course, they had an appeal, if they were not satisfied, to arbitration.

Q. Were your Acts final or were they subjects to the revision of the Government?—I understood that they were to be subject to the revision of the Government. I did not know that their instructions did not say that our valuations were to be final, and I could not say.

Q. So that they were all subject to the approval of the Minister of Public Works, according to the instructions of Mr. Wilson?—That is not in my instructions at all; it is in Mr. Wilson's, but, of course, I was governed by them.

Q. Is exhibit "K" your report to the Department, of the statement of your valuation of the lots, signed by you?—Yes.

Q. Were the figures in the column marked "Amount Awarded," yours?—I think they are Mr. Wilson's figures; he filled them in.

Q. Were they filled in without your approval first?—I have no doubt that the figures are just the figures that we agreed upon.

Q. Did you bring this report down to Ottawa with you, or was it sent?—It is the report I brought down.

Q. Were the valuations in the column under the heading "Amount Awarded," filled in before you brought it down?—Where they were not settled they were put in in pencil marks.

Q. And the figures in ink; where were they filled in?—They must have been filled in afterwards in the second report.

Q. But you brought the report down and delivered it to the Minister of Public Works?—I brought it down and delivered it to the Deputy-Minister of Public Works, Mr. Trudeau.

Q. At that time all the valuations were not filled in?—No; I think not. I think there were some alterations made after we came down to Toronto, and a good many of them were left in pencil. Of course a number of them were not closed.

Q. Was Mr. Wilson there then?—Yes.

Q. Did you say that some of those figures were filled in at the Department?—No.

Q. Are you quite sure of that?—They were not filled in at the Department to my knowledge.

Q. Was this paper complete as it now stands, before it went to the Department?—It was not completed until we came down to Toronto.

Q. Was Mr. Wilson with you when you brought it down to Toronto and filled them in?—Yes; we were both at Toronto together.

Q. What I want to know is, whether the report was complete when you brought it down to Ottawa, or whether you or anybody else completed it in the Department?—I did not complete it here; it is just as I brought it. The total amount is the same.

Q. I want to know what you did with the streets on Oliver, Davidson & Co.'s property?—We took no note of the streets that I am aware of.

Q. Did you value the streets?—No.

Q. Did you allow them for the streets?—No; we had nothing to do with the streets.

Q. Were the streets not taken in the reserve?—Yes.

Q. And you did not allow money to anybody for the streets?—No; we had nothing to do with the streets.

And the further examination of this witness was continued until Friday, the 22nd instant.

On the 22nd day of March, reappeared the said witness, whose examination was continued as follows:—

Q. How many parties did you negotiate with for this land required for the terminus?—I have not looked it up; and I am not positive of the number.

Q. I suppose you can tell by the list you sent into the Government?—There are a great many, and it will take some time to hunt it up.

Q. I understood you to say in your evidence that some sales that had been made were not *bond fide* sales?—We did not know positively, but we suspected they were and refused payment of their demands; and they accepted, as near as possible, our terms; then we concluded that the sales were not *bond fide*.

Q. What led you, in the first instance, to suppose they were not genuine?—The number of parties that had purchased within a very recent period—within a month or two before we went up there—that was our impression.

Q. Have you subsequently verified that impression?—No; we did not. We made our arrangements with them, and concluded with them, and did not look into the matter any further.

Q. You say that many had purchased within a recent period?—Yes.

Q. Did that fact govern you in your transactions with them?—We suspected that they had speculated for a rise and we acted accordingly.

Q. What reasons had you to suspect that?—From the number of parties that had purchased the sub-divisions that were made of that lot.

Q. Who were the parties that had purchased so recently?—Ambrose Cyrette, original owner of lot 26 South Fredericka street; Thomas Marks, John Parks, William Ramsay, John H. Driscoll, Cameron and Hoskins, are the names of the parties connected with this lot.

Q. Is that the only lot that you had reason to suppose had been divided up and sold recently before that?—Yes; it seemed to be the only one we suspected.

Q. Is it the only one in which you doubted the *bond fides* of the parties?—Yes.

Q. Did you give Marks, Parks, Driscoll and others, a sum equal to what they had purchased the property at?—No; Ramsay's claim was three hundred dollars, and we settled with him for a hundred dollars.

Q. What were the rumours you heard that led you to suspect there was something wrong with this lot?—It was rumoured that this Ambrose Cyrette was a very disreputable character, and that he had been approached in some way.

Q. But the parties that approached him were not disreputable?—I know nothing about how the approach was made. We found simply that those parties had portions of the lot, and we refused to pay what they claimed.

Q. We want to know what the rumours were? You say you heard this man was rather disreputable, and that he had divided his lot up?—Yes; I have told you exactly all that I know, and I know no more. We heard certain rumours with respect to that lot, and we resolved that we should not pay the demands of those parties, but rather submit them to arbitration.

Q. And you found out that you were quite correct, as the parties afterwards took a lower price?—We found out that Ramsay was acting in good faith, as the lot he had was assigned to him by way of mortgage. He was in Toronto, and he was the party we had to deal with, so far as I know. I do not know who he got the mortgage from.

Q. Did you make any examination with regard to other sales that had taken place a short time before, inasmuch as they were asking very high figures?—I do not know that we did. We examined as many as we could find out were recent sales, but I do not know that we discovered any recent sales.

Q. Did you attempt to make out any recent sales?—In every case we made enquiries when the lot was bought. I stated, in my last examination, that we first arranged with Oliver and Davidson for a valuation; that is, our basis of valuation with them. On looking over the list, I find our first agreement was with Mr. William Hendrick; it was for Lot 27.

Q. What were the rumours you heard with respect to this other lot?—That Cyrette had been a kind of gambling man, and had speculated in this property.

Q. Did those rumours apply to any other properties?—No; it was only this particular case that we heard of.

Q. Was there any other general rumour that there had been fictitious sales made in the town plot?—No; no more than in this particular case. The sub-dividing of this lot made us suspect there was a job in it. The first agreement we made was with William Hendrick, Lot 27, Fredericka street. We were urged to come to a settlement with him by Mr. Hazlewood. Mr. Hazlewood said that there was a house on it. Mr. Hendrick had bought one-tenth of an acre of this lot, I think in 1875, and had built an hotel on it. He paid one hundred and fifty dollars for the one-tenth part of an acre; that is about one-fifth of the whole part of the lot.

Q. Whom did he purchase from?—From Mr. Warnock; I think it was in June, 1875. He was an American that had come over some months before with some money, and he thought he had a good opportunity of investing. He built an hotel on the lot, which cost him something over \$1,000, and he put in a claim for \$2,130; the claim being made up of his outlay, and damage for loss of business.

Q. Did he own any more than this particular piece?—No; not any more, in so far as we knew. We got the cost of his building, saw the vouchers and accounts of what it cost him, and he made an affidavit to the fact that it had cost him \$1,100, and he refused to take less than \$2,000, at least.

Q. Did you ask him for the affidavit or was it volunteered?—We asked him for it before we settled with him. We said there was a difficulty in the way of his being paid for his hotel, inasmuch as it was built five months after the reservation was made. In that I considered there was a legal difficulty that we could not arrange for; however, we took his affidavit, and entered into an agreement with him, finally, that, if that legal difficulty was overcome, we would pay him \$1,280. That was what the whole thing cost him.

Q. What was the legal difficulty to which you refer?—That the hotel had been built five months after the time the reservation had been made.

Q. To whom did you apply for legal advice?—We had the Act, and did not need any legal advice on that subject at all, as our instructions from the Department were that they were to be carried out in that way; that any improvements put on the reservation after that time should not be allowed.

Q. Were not your instructions very positive to take the valuation at the time the plan of the reservation was deposited in the Registry Office?—When he completed all the affidavits with regard to the cost of the lot, we entered into an agreement on these conditions: If the Government saw that it was necessary to waive that clause

in the Act, we were obliged to pay in cases where buildings were put up, not knowing anything of the reservations. This man, Hendrick, did not know anything about the fact of land having been reserved by the Government for the railway.

Q. Did he make an affidavit to that effect?—I am not sure that he made an affidavit to that effect; but he made an affidavit as to the expenditure.

Q. Did you not think that would have been highly important?—I was quite satisfied that he did not know.

Q. How do you know that?—From the fact that he had come from the United States recently and had invested all his money in it for the purpose of doing business, and he was doing a good business there.

Q. That was in June?—Yes; in June.

Q. Was it not well known by him that the terminus was to be there?—He was not there in 1875; this was in 1876.

Q. Was it not well known when he commenced to build there that the land was reserved?—No; I think not.

Q. Was it not known that the plans were filed on the 23rd January, 1875, in the office at Prince Arthur's Landing?—I am perfectly satisfied; I have not the least doubt of it that he did not know.

Q. How long had the plans been filed when he began to build?—I do not know, but our instructions were that the reserve was made on the 23rd January, 1875.

Q. When did he begin to build?—In June, I think.

Q. Did he own the land before June?—No; he bought the land and built immediately on it in June, 1875.

Q. From whom did he buy?—From a Mr. Warnock, I think.

Q. Did Mr. Warnock live up there?—I do not know.

Q. Did you allow him less or more than he paid?—I think we just allowed him exactly the sum, with a few months' interest. The building cost him \$1,100, and the lot cost him \$150—that is \$1,250, and we allowed him \$1,280.

Q. Did you not purchase some lots from Warnock? Did he not hold other lots there?—Yes, he had the balance of that lot.

Q. And you purchased the balance of that lot from Mr. Warnock?—I did not negotiate with him.

Q. Was it acquired by the Government?—Yes.

Q. Who negotiated with him?—It was Mr. Wilson, I think.

Q. Can there be any doubt it was publicly known, well known, in 1875, that the lot in question was included in the railway reserve?—I cannot say; I know I do not know.

Q. Can there be any doubt about it?—I am sure I cannot speak about that at all.

Q. Do you not think that this American came over there and invested his money in this land on that account?—In conversing with the parties there, such as McKellar, McLaren and Oliver, they were entirely ignorant that the reserve was made at that time. That is all I can tell—that they stated so.

Q. How did you know that Oliver was ignorant of it?—He stated that to me. I do not know whether he was or not. I simply know what he stated.

Q. After his partner, Mr. Brown, swore he was aware of the fact in the winter of 1874-5, do you think it was likely that his partner, Mr. Oliver, did not know?—Mr. Brown told me himself that Mr. Davidson did not know it in 1875.

Q. Mr. Brown has given evidence that he knew it himself in 1874-5; if he knew it in the winter of 1874-5, do you not think it is likely that the other members of the firm knew it also?—I am not going to draw a deduction for any one. Messrs. Brown and Oliver told me distinctly that they had no knowledge of it, and the people there stated the same.

Q. When was it told you they had no knowledge of it?—In 1876 they told me they did know it in 1875.

Q. Do you not think that this American was attracted to the town plot and induced to invest his money there because of knowledge of the reserve?—I do not

know anything about it. I simply found him there occupying the hotel, and I negotiated with him for it.

Q. You are very confident that this man did not know his lot was in the reserve at the time he acquired it?—I satisfied myself in every possible way that he did not.

Q. Is this a fact that you paid that man, not only the value of the land, but for the building he erected on it six months after the plan was fyled?—We did not pay him.

Q. You reported to the Government?—We told him that if he was legally entitled to payment for his hotel we would award him so much, and it turned out that he was legally entitled to it. Of course every valuation we made was subject to the approval of the Government.

Q. You reported to the Government, and the Government approved of the report and paid him the money. You knew nothing of the legal rights in the matter?—Yes.

Q. Did you consult any lawyer about it before making the report to the Government?—No; not until after. I considered that the legal difficulty was not removed until I came down with the report. I wanted to see what was the opinion of the Government on the subject.

Q. Whom did you consult? What lawyer did you consult with reference to this lot?—I did not consult any one on this lot particularly.

Q. But for improvements made on lots subsequent to 1875?—Mr. Bethune.

Q. Did you consult Mr. Bethune as to the legality for paying for improvements on this particular lot?—Not for this particular lot, but we did for the Neebing Hotel.

Q. The question here is: was this man entitled to be paid for the building erected there, after he knew that that lot was reserved by the Government?—Yes; but he did not know it.

Q. In your report to the Government did you state that this building was erected after the plan had been fyled showing the reserve?—The only report we made on the subject is exhibit "K," the first report to the Government in which the following reference is made to that lot: "This lot has a frame hotel with a kitchen and outbuilding erected thereon. See affidavit of W. Hendrick."

Q. Did you not communicate to the Government in any way that the hotel had been built after the plan had been fyled?—No; we did not. There was a short introduction to the first report, addressed to Mr. Mackenzie, I think, but I do not see it here. It was not signed at all, but simply attached to this report as a few introductory remarks.

Q. Is that the only communication you made to the Government?—Yes; it is the only written communication we made.

Q. And there is no other communication to the Minister of Public Works; no letters, no correspondence on the subject?—No; none at all.

Q. Nor with the Minister?—No.

Q. You are quite sure of that?—Yes.

Q. Did you make any verbal report?—Yes; I came down with this report to the Government, and delivered it to the Deputy Minister, Mr. Trudeau.

Q. Did you not make any verbal statement with reference to anything in that report?—I made a verbal statement similar to that attached to the report itself. I mentioned to Mr. Trudeau the Neebing Hotel.

Q. And, with regard to this particular hotel, did you mention it?—No; because the question with regard to the Neebing Hotel would settle all similar questions, such as this hotel.

Q. You called his attention to the Neebing Hotel; why did you not call his attention to this hotel as well, showing that it was commenced after the plan was fyled?—One case settled all; the Neebing Hotel was commenced simultaneously with this hotel of Hendrick's. We did not know it was an irregularity, but to pay it did not accord with our instructions, to carry out the Act of 1868, and if the Neebing Hotel were settled it would settle all such cases.

Q. But did you not recommend to the Government the payment to this man of \$1,000, to which he was not entitled without your informing the Government that the building was erected after the plan was fyled?—No; I do not think we made any such report. What I want to show the Committee is that we were getting the property as low as possible.

Q. In making the report to the Government did you draw any distinction between the improvements made years before and improvements made after the plan had been fyled?—No; I do not think we called any particular attention to that. The only case where there were any improvements were in cases where parties put up buildings.

Q. Did not your instructions require you to report to the Government this particular fact, or did you make any distinction between buildings which had been erected years before or after the plan was fyled?—When I came down I distinctly brought that report.

Q. But in your report?—No; not in the report. This report was simply to make up our valuation from; we reported the value, but it was subject to those conditions.

Q. To the last condition attached to that report,—or was the attention of the Government called to the fact only?—No; the facts are all there. When I came to the Department I drew the attention of Mr. Mackenzie and Mr. Trudeau to that point.

Q. Then there was a verbal report that the Committee has not before it?—You could not have a verbal report before you. I stated then, and I state now, that that was one of the difficulties of the report. I have stated distinctly that I brought that point before the Government with regard to the Neebing Hotel, which was erected five months after the plan was fyled.

Q. But with regard to this particular case?—No; that one case settled all such cases.

Q. Did you draw the attention of the Government to that particular case?—No; I said in the first place, I did not bring that particular case before the notice of the Government. I did not consider it was our business to instruct the Government with respect to the interpretation of the Act.

Q. I ask you again did you inform the Government that the hotel had been built upon that lot months after the plan had been fyled, showing that that lot had been reserved?—No; not in that particular case.

Q. I will read a sentence from the report of the valuers on the Neebing Hotel, as follows:—"In the claim of the Neebing Hotel Company, we are not prepared to recognise the erection of this hotel, commenced in July, 1875, about six months after the reservation of the property had been made." I ask you why you did not put the Government in possession of the same information relative to this hotel of Mr. Hendrick's?—It is just in this way. We did not refer to it particularly, because I supposed it was exactly in the same position as that hotel, and if they paid for the Neebing, of course they must pay for Hendrick's; and if they did not pay for the Neebing, of course they could not pay for Hendrick's. We particularly made that condition with Mr. Hendrick, and he understood we did so simply in the event of that legal difficulty being overcome, that he could be paid.

Q. But you did not draw the attention of the Government to that fact?—Perhaps we overlooked it.

Q. You see the necessity for it now?—No; I do not see the necessity for it. His affidavit set it forth sufficiently I think. There were a number of parties we had to see in Duluth. I was delegated to see and settle with them. I see from the return or list there is one of the parties still not settled with. There is Mr. Scargall, owner of two lots, one on Water Street, and one on Hector Street. In attempting to settle with him, he refused to settle on the terms we proposed.

Q. Did you go over to Duluth for that purpose?—Yes; our figures were \$500 for his two lots. He refused to accept that, and said he had been offered a thousand dollars for them, and he would not sell them for less. I negotiated with him for two

days between him and two other parties that were there, but could make no arrangement with him, and in that case we determined that it should go to arbitration rather than pay him a thousand dollars.

Q. Did you come away without settling?—Yes.

Q. Did he tell you when he had bought the land?—He had owned the land for some time; he had lived at one time at Fort William, and owned property, and had held it for many years. Then there was Mr. Robert Thompson, of Duluth; 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 do not know, but I think not. Then there was Mrs. Newton in Duluth, 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 Baker held lot number 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 one hundred and sixty dollars 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 Cyrotte 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 it, but we came to \$550.

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

Q. You say it has not been acquired yet?—It is not in the list.

Q. But the Government may have acquired it since you made your report?—So far as we know it has not been settled for since. We did not pay anything, and we don't know when the payments were made. We did not send in our second report until February, 1877, and the payments were not closed until very recently. I think Mr. Brown had the control of that.

Q. Were there buildings on any other lots that had been erected after the fying of the plan?—I think those were the only two that I remember of.

Q. You have given us the particulars of the negotiations with regard to individual lots named by you; did you pursue a similar plan with regard to all the lots—that is in satisfying yourself as to what the lots were fairly worth?—Where we found any difficulty we tried to get at the facts as much as possible. Of course in the case of Oliver and Davidson it was a very straight thing to understand how their lots stood.

Q. Did you satisfy yourself that it was in the interest of the Government that you would give the price generally agreed upon rather than go to arbitration?—Yes, my first impression was from the figures that we had that it should go to arbitration. I told Mr. Wilson rather than pay those prices we should throw the whole thing into arbitration.

Q. Did you communicate that impression to the Minister?—No, of course we went on afterwards and found out what we could do.

Q. What prompted you to take a different course?—After we found out parties had really bought lots at figures that we could not deny if it came before an arbitration, would influence them to give what they asked, if not more; we thought it better to settle with them on the best terms we could. Another thing I am satisfied was an advantage, was to have the lots in as few hands as possible.

And the further examination of the said witness is continued until to-morrow.

On this 23rd day of March re-appeared the said witness, and his examination was continued as follows:—

Q. How many owners did you deal with in securing those lands?—The number of owners in the town plot was 52; on lot number six, there were three, in the township of Neebing there were ten, and in Papiouge, Oliver and Dawson Road, there were twelve—in all seventy-seven owners.

Q. When you were appointed were you aware who held lands at the terminus?—I was not.

Q. The portions of land represented by those ownerships you have given are in your report?—Yes, it is all in the report—the whole particulars.

Q. When you were appointed there, did you know who were owners of any of the land at Fort William?—No, not one of them.

Q. Did you know that Oliver and Davidson owned any land there?—No, I did not know he owned any at the town plot. I knew he held timber limits in the north-west—that is north of Lake Superior.

Q. You were not aware that they held any land at Fort William?—No.

Q. Had you ever any dealings with Oliver, Davidson & Co., previously?—No.

Q. Did you know the members of the firm?—I did not know any of them, except knowing Mr. Oliver slightly, as a public man. I had met him two or three times, but I had no social acquaintance with him, whatever. I never met Mr. Davidson until I met him to settle about those lots. Mr. Brown, I only saw a few months previous to meeting him at the Fort. I do not think I would have known him again if I had not met him in connection with this business.

Q. Had you any letters or communications from Mr. Mackenzie or from any officer of the Department, or from any member of the Government, or any officer connected with the Government, in connection with your duties, or the ownership of the lands up there?—I never had any correspondence with either. I remember I wrote one letter to Mr. Mackenzie after I returned.

Q. I am now speaking of before you went up?—No.

Q. Or during the time you were there?—None whatever, except the appointment by letter.

Q. Have you had any personal communication with Mr. Mackenzie after your appointment, or before it, on the subject of the lands there?—No, none but one communication I sent to Mr. Mackenzie.

Q. And the personal one when you came down?—Yes.

Q. Explain what occurred in the personal interview you had with Mr. Mackenzie when you came down here?—I delivered the report to Mr. Mackenzie, presented it to him, and spoke about the difficulty we had in arriving at a conclusion in the enforcement of the Act of 1868, that is in settling about the improvements that were made in property in 1875, and the Neebing Hotel in that category, and that we could not properly value it under the circumstances. I said to him that Mr. Brown had given it as his opinion that it could not be enforced. Mr. Mackenzie said that was not what Mr. Brown was sent up there to do, to give his opinion in the matter. I simply said he volunteered it.

Q. Did Mr. Mackenzie enter into a discussion of any of the details of your report?—No, he did not. He was very busy, and he just rung the bell for Mr. Trudeau and handed me over to him. Of course all the intercourse I had with the Department was through Mr. Trudeau.

Q. Had you any conversation with Mr. Mackenzie at any other time in relation to those lots?—No. I do not think I have spoken to him since on anything.

Q. Did you deliver two reports at the Department?—No; only one.

Q. I understood you to say you delivered it to Mr. Trudeau?—I mean to say I delivered it first to Mr. Mackenzie, he handed me over to Mr. Trudeau, and I took it into Mr. Trudeau's office.

Q. What conversation took place there with Mr. Trudeau. Anything special?—Yes. I remember I drew his attention specially to the Neebing Hotel, which was in a peculiar position, that we had not entered into an agreement with the company for a settlement. I drew his attention specially to the difficulty we had about it, and that we had come to the conclusion that we must leave it to the Government to say whether, under the circumstances, until the legal difficulty was settled, they could claim under the Act or not. We agreed, however, if they could make affidavits to the correctness of their accounts, so far as they could establish they were correct, we would be willing to allow that amount if the legal difficulty was overcome.

Q. If they made affidavits to their accounts?—Yes; to the fact that they were not aware of the reservation being made when they commenced building the hotel.

Q. Did they make their affidavits to the accounts?—I do not know. They were to be sent to the Department, and I asked Mr. Oliver one day if he had done so, and he said he had.

Q. I understood you to say that you brought all the papers connected with the Neebing Hotel down with you, and you would have the affidavit with them?—The affidavits with regard to the accounts could not be made at the time, but they were to be sent down to the Department. They did not come with me.

Q. When did Mr. Oliver tell you that he had sent down the affidavit?—I think it was in London, one day. I don't remember the date, but it was some time during the winter of 1877.

Q. Did you express any opinion to Mr. Trudeau as to what your judgment was with reference to the payment for this hotel?—I stated to him that the nature of the claim was in the shape of damages for the stoppage of work, and for material, but they were willing to forego the damage for stoppage, if they got interest on the money invested.

Q. Did you express any opinion as to whether it ought or ought not be paid?—No, my opinion was if the Act of 1868 could not be enforced that it should be paid.

Q. Did you take any means yourself to examine whether the price asked for this building was fair and reasonable? Did you ever measure the building?—I did. After returning from Ottawa I went up the second time, and I took some pains about it.

Q. What were they?—We took the measurements of the entire building and made a calculation there. However, when I came back, after we were through with the valuations, not being a practical builder myself I got Mr. Durrant who is a valuator for nearly all the insurance companies in the Dominion, a practical builder to give me his opinion.

Q. Where does he live?—In London.

Q. Is he a practical builder?—Yes. In thirty-five years.

Q. Did he see the hotel?—No; I gave him the figures.

Q. Had you any view or plan of the hotel, or how did you describe it to him?—I described just the measurements and the number of windows, etc.

Q. Tell us how you described it to him?—I had the measurements, I think the first building gave a measurement of eighty feet by thirty feet; that was the first under which there was a stone basement—a portion of the first had a stone basement and a cellar. Then there was an extension from the first building, forming as it were an L, seventy feet by twenty-six feet, and in addition to that extension a

kitchen, partially finished, fifty feet by sixteen feet, and the height twenty-two feet. I described the building to Mr. Durrand that there were two rooms plastered and finished, and the floor down stairs all laid, and a number of partially finished rooms.

Q. Give us the number of rooms, and the amount of furnishing on them?—  
There was studding up.

Q. How much studding up?—I told him that nearly the whole of the studding was up. The studding were all up down stairs, and most of them were up upstairs, the length of the building.

Q. Did you tell him the size of the studding?—I gave him the regular studding.

Q. What is the regular studding?—I don't know unless I have the figures with me.

Q. I want to know whether it was 3-inch studding or 4 x 4 studding?—I could not tell you.

Q. Was it 2 x 4-inch studding?—I could not say that; I had the figures at the time.

Q. Had you the figures of all the measurements when you consulted Mr. Durrand?—I had.

Q. And you gave him the size of the studding?—Yes.

Q. Did you describe the building fairly to him?—Yes.

Q. Without any exaggeration?—Yes, I think I rather understated the thing than not, as I did not mean to, or had no desire to make it more than it was.

Q. Did he give you his opinion as to what it would be worth?—He said it was a fair description of a building that would cost in London, he thought, about \$2,500.

Q. Did he calculate about how much lumber would be used in it?—Yes; it was merely for my own satisfaction I consulted him.

Q. How much lumber did he make out there was in it?—I forget.

Q. Was there any painting done on the building at all?—I don't think I made any estimate of any painting.

Q. Was there any painting done?—I don't think there was. There may have been a little of the wood-work painted, but I did not make any particular examination of the matter, because I never entered into an agreement to make a payment for it.

Q. You spoke of two rooms being plastered throughout; was the plastering complete? was it one or two coat plastering?—It was decent plastering, and it looked as well as ordinary plastering.

Q. Was it smoothly finished?—Yes; smoothly finished.

Q. At all events, you described it as it was to this gentleman?—Yes.

Q. What per cent. did you add to the calculation as a fair price for the building in making up your estimates?—From the way builders were charging at Fort William, and what I ascertained as the cost of buildings there, I calculated it was somewhere about 40 to 50 per cent. additional should be added.

Q. Has your own experience confirmed that estimate of the additional cost as compared with building in London?—I had no additional experience of it at all. I have had no experience to the contrary.

Q. Why did you fix that rate? You must have had some guide. Why did you say it must have cost 40 to 50 per cent.? What led you to that conclusion?—The excessive price of labour up there; the fact that labour was, at all events, 50 per cent. higher at the time in Fort William than it was in London.

Q. What was it in Fort William?—There were some carpenters there who told me they were getting three dollars a day. Mr. Macdonald told me he was getting three dollars a day.

Q. Where was he working?—At the Fort. He was building a store I think for Mr. McKellar.

Q. What was being paid at London?—One dollar and a half per day.

Q. But Macdonald was a superintendent, not an ordinary workman?—No.

Q. What was the ordinary workman getting?—From two dollars to two and a half.

Q. You say that the size of the wing was 80 by 26 feet?—No, 70 by 26, the extension.

Q. You swear it was 70 by 26?—That was the measure we took. I think Mr. Wilson took the same measurement.

Q. If Mr. Wilson swore it was 80 feet by 20 feet, would that be correct?—I have no doubt he would think it was correct.

Q. I am asking you as a fact. You say you measured it with Mr. Wilson, and it measured 70 by 26 feet, and he swore it was 80 feet by 30 feet. Who would you say was right?—I would say one of us made a mistake, but I don't know which. I have the measurement marked in my book. I can swear at all events that these are the figures that I have down.

Q. What was the height of that building?—Twenty-two feet we measured it.

Q. How much of it was shingled?—The front portion of it was shingled.

Q. How many feet of it?—I could not say.

Q. Did you tell Mr. Durrand how much was shingled?—We told him the front part, and he calculated the measurement of the shingled part from the size of the building.

Q. What size of the building did you tell him was shingled?—The front part of the front building.

Q. How many feet would that be?—I do not know, I am sure.

Q. Is that in your book?—No, it is not.

Q. Did you state the number of feet to Durrand?—Mr. Durrand understood perfectly well the size of the building, and know very well what the roofing would be.

Q. Did you give him the pitch of the building?—He took the ordinary pitch. Of course we did not go up on the roof of the house. On looking at my book, I find the following memorandum: "Size of building, 80 + 30 and 70 + 24." There is a little inaccuracy about the 24 feet, but Mr. Wilson and I corrected it together.

Q. But Mr. Wilson did not give the information to Mr. Durrand; he got the information from your book?—Yes, he got the information from my book. I do not suppose it was a very accurate estimate, but was sufficient to give him some sort of idea of it, for at that time we were not making a bargain with the company, but had this simply in the event of something turning up. I have here in a sort of shorthand a statement of measurements. "Neebing Hotel front, 80 x 30; side extension, 70 x 24; building, 22 feet high; roofing, shingling and floor done up stairs; no sashes or windows up stairs; inside two rooms plastered 24 x 16; lathed, but not plastered down stairs; stone cellar under the two front rooms; studding in about half of the house."

Q. That is what you described to Durrand?—Yes, with a further description that I gave him of the building. Then I have in my memorandum, "shed, 50 x 16 feet, half shingled, half double boarded; no shingles in front of house, whole of building."

Q. Is that correct that there were no shingles over the front of the house?—I have it down here that the front is not shingled.

Q. Is that correct?—It must be correct or else I should not have had it down.

Q. Where were those two plastered rooms, in the wing or in the front?—In the front.

Q. Then the two rooms were not shingled over?—They were lathed.

Q. What part of the building did you refer to when you said it was roofed, floored and shingled?—My pencil marks are blotted out a good deal and I cannot make them out very well. Mr. Wilson kept those records correctly. He was the custodian of all those records, and was the man, so far as the valuation was concerned, to take charge of the figures.

Q. Still, so far as getting that valuation from Durrand, you made the estimate from your own figures?—Yes.

Q. Would you be able to state from memory whether the front of the building was finished or not?—I am pretty sure that the finished estimates were in the front of the building.

Q. Was it a portion of the front that was shingled or was all shingled (Photograph, exhibit D produced and examined)?—From my notes, I am not very sure which it was just now.

Q. What was the extent of the shingling? What did you tell Mr. Durrand with regard to the shingling?—I told him at the time, but I really cannot tell you now. I took the facts on a piece of paper very carefully.

Q. What was the size of the cellar that you mentioned to Mr. Durrand?—I mentioned it as 24 feet by 16 feet.

Q. Is that the size of one room, or of the two rooms?—No, it is the size of one room. The two rooms were 24 feet by 16 feet each.

Q. What was the size of the cellar?—The size of one room, 24 feet by 16 feet.

Q. Were you ever down in it?—No, I was never down in it. Of course, Mr. Wilson being a surveyor and having had a good deal to do with building, I trusted to him. He had a practical knowledge of those things more than I had.

Q. Do you know what the height of that cellar wall was?—No.

Q. Did you tell Mr. Durrand what the height of that cellar wall was?—I think I did. I am quite sure I did, but I have not got the figures now.

Q. Did you tell him that it was laid up with sand and lime?—No; I do not think it was laid up with sand and lime.

Q. Did you tell him how it was laid up?—I told him it was plastered with some kind of material that they got there; I don't know what it was.

Q. Did I understand you to say that you did not see the wall?—I was not down stairs; of course I saw it outside.

Q. You did not know what it was laid up with?—What he told me.

Q. What was it he said?—It was some mixture of clay, or something; of course if I had been going to put a value on it, I would have been particular.

Q. If you were anxious that Mr. Durrand was to put a value on it, he should have had all the facts?—I gave him a description of the building.

Q. Did you give Mr. Durrand a description on paper, or did you tell him a description of it?—I did not give him the description on paper.

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.

Q. Were not some lots better than others?—They were the best part of it, in fact.

Q. Did they ask more for lots fronting on the river than for back lots?—In fact everyone thought his lot was the best, no matter where it was situated.

Q. As a matter of fact, what was your opinion as to what were the best lots?—I should say that the lots fronting on the river, if the town were built up, would be the best lots.

Q. Did you get all the river lots from Oliver, Davidson & Co., in lot number six?—On looking at the map, I find we did not take the river lots on lot six of Neebing.

Q. Then the lots colored red on the plan are the only lots in lot number six that you took?—According to the list there were thirty-nine lots taken on lot number six.

Q. What average value did you give for those?—They ranged from \$90 to \$140 each. There were one or two eighth of an acre lots, but as a rule they were quarter acre and half acre lots. The average was something like a little over one hundred dollars a lot for quarter acre lots.

Q. They are only one half the size of the town plot lots?—Yes; as I said to you before, though every man who held a lot then—no matter where, thought it was in the best location. For business, of course, they were better back than at the front, but for mere prospect they were better on the front.

Q. But for dockage would not the front lots be the best?—Of course.

Q. Did Oliver, Davidson & Co., own the whole of lot number six, Neebing?—I think there were two parties owned lots there, Mr. Stevenson and Mr. Munroe.

Q. Did the owners of the lots which you took own other lands adjoining?—They owned the whole lot.

Q. Did you apply the Act of 1868 in order to value those lots?—We insisted upon that they wanted to get as much, and considered their lots as valuable as the town plot. We could not concede that; and did not concede it.

Q. And you applied the Act of 1868?—Yes.

Q. What difference did the application of that Act make in your valuations?—Twenty-five per cent.

Q. That is if you had not applied that Act you would have given at the rate of \$250 for half acre lots instead of \$140?—Yes; they would have got that.

Q. Did you ask them what they paid for the whole lot?—No.

Q. Nor when they bought it?—No; I did not.

Q. Did you not know that its whole value beyond the nominal price was created by the fact of the railway terminus being located there?—I thought so.

Q. Did you think that land was worth \$200 an acre before the railway was placed there?—No; I did not.

Q. You say that if you had not applied the Act of 1868, you would have given \$250 per half acre?—Yes.

Q. And yet you say you did not think it was worth \$200 an acre without the railway?—Yes.

Q. Then how did you arrive at your valuation?—Just in that way. They repudiated the Act altogether; they owned the land long before 1875, so they said.

Q. Then did you accept their reading of the Act?—We accepted that valuation. We acted the same there as in the town plot. Of course I did not consider that the lots, as a general thing, were worth as much there as in the town plot, but we found out that they had been sold at as much; that Oliver had sold one or two lots, and established the value that he could get for them, and when we were there he was selling them at that price. I know that there were a good many selling for double that after we were there.

Q. You did not ask him how much he had paid for the land?—No, I did not.

Q. Would you be surprised to learn that he had only paid \$480 for the one hundred and thirty-six acres?—No, I daresay he did.

Q. So that you awarded them at the rate of \$400 an acre for what they had paid only \$480 for 136 acres?—We did not award them by the acre, but by the lot.

Q. But it amounted to that?—Yes.

Q. And if you had not applied the Act of 1868, you would have given Oliver, Davidson & Co. \$500 an acre for it?—They would have got the same as they got in the town plot. I have no hesitation in saying that they were as good as the town plot.

Q. If you had not applied the Act of 1868, you would have awarded \$500 an acre?—Yes.

Q. But I understood you to say that, practically, the whole value, in your own judgment, was conferred upon the land by the terminus being located there?—There is no doubt of that. That is the increased value.

Q. That is, the difference between \$400 an acre and \$480, for 136 acres? I have seen a greater difference than that arise by railway excitement.

Q. But you did not apply the Act of 1868 to the town plot in your valuations?—Yes we did, as near as we could.

Q. To what extent. What percentage did you apply it?—We found out, as I said formerly, that the lots had really been sold in 1874 for as much as we were paying.

Q. I only wish you to apply my question to those who had lands remaining, and not to those whose whole lands were taken. Take the case of Oliver, Davidson & Co., to what percentage did you apply the Act of 1868 in valuing their lots in the town plot?—I think that nearly all Oliver & Davidson's lots in the town plot were taken from them. I think that they have scarcely anything left, so far as I know, in the town plot.

Q. Did you ascertain that they had any lots remaining?—Yes, I understood that they had very little. I think they had a few lots, but not many.

Q. So that in their lots taken in the town plot the Act of 1868 was not applied?—It was applied to some extent.

Q. If they had had none left, how do you say it applied?—It would not need to be applied in that case.

Q. I understood from what you said that you brought this report down to the Department of Public Works, and handed it to Mr. Trudeau. I want to know, if at the time this report was handed in, this item "Neebing Hotel \$5,029" was in that report signed by you?—There is no doubt of that.

Q. Then I understood you to say that after this you had no communication with the Department on this matter?—No.

Q. And yet I understand after that you went to London, and made this estimate with Mr. Durrand. Is that correct?—Certainly.

Q. Why did you make that valuation with him?—It was in anticipation that some further enquiry would be made about the Neebing Hotel.

Q. Did you make any further report to the Government about it?—No; for this reason: I expected to hear from the Government on the subject.

Q. But as a fact you made no further report to the Government about it, so that they did not get the benefit of this valuation of Mr. Durrand's?—No.

Q. Did you understand when you made that report to the Government, and inserted this sum "Neebing Hotel, \$5,029," that that was a final adjudication on that case?—No; I expected to hear something further about it.

Q. Did you understand it was finally adjudicated on?—It seemed to be the case.

Q. You made a report which you considered yourself was not a final report; that there was a legal question?—Yes; as to the Act of 1868; that was the point.

Q. Did you observe, in signing this report, you took upon yourself the responsibility of settling this whole question, and stated to the Government that \$5,029 was the whole amount to be paid for this property, without any note whatever saying that that lot differed from any other in the report?—You will find that there is a letter accompanies it that refers specifically to that. The report is dated 20th of July, 1876, and the letter was attached to it (letter produced and read.)

Q. Are you quite sure you never communicated the information you got from Durrand to the Department?—I think I did; but I do not remember it.

Q. Did you take any trouble to verify any of those accounts for the hotel?—No; they were presented to me in the office of Mr. Oliver. We just ran them over, and I dotted off the amount and found it to be \$4,000 and something. I looked at his ledger account, and found something over \$4,000 charged to the Company for material. I said then if they got the accounts verified, and got them sworn as to their correctness we would send them down to the Department.

Q. But you sent them down without this verification?—No; I came down with the accounts. The accounts were put up as you see them, with the understanding that some of the affidavits could not be got then; but Oliver was to send them after-

wards. They made out the affidavits with regard to the fact of putting the hotel up without knowledge of the reservation having been made.

Q. And you say you did not check their accounts?—No; we did not.

Q. Have you looked at them since you came here?—I looked at them once.

Q. Did you see that the lots were charged for twice?—Yes; and I could easily see how it could be done.

Q. Are you aware that a large quantity of material was charged in those accounts that was not actually used in the hotel at that time?—I was not aware of it.

Q. It was no examination of the account whatever, at that rate?—We looked over the accounts and compared the amount with the ledger.

Q. There is one item, for instance, that must have attracted your attention; there is a considerable item for paint, and you say you saw no paint about the place?—We did not examine them critically.

Q. Are you not now aware that a large amount of material is charged in those accounts that was not used in that building?—I am not aware of that.

Q. But you carried this report down to the Government, as the basis on which value was to be paid for that property?—Yes; with the understanding that they should send their affidavits as to the correctness of the accounts afterwards. You will understand that we did not enter into an agreement only conditionally.

Q. There seems to have been no step taken, except to act upon the report which you made?—In that case we did not buy at all. It was in a position that we could not make a bargain, and the letter states it particularly.

Q. Did you not think it was your duty, in making that report, to have called the attention of the Government to the fact, that you considered that but an incomplete item until such and such things were done?—There is a paragraph in the letter attached to the report sent down referring to it. I drew up the statement myself.

Q. Then you considered that upon the Government rested the whole responsibility of the payment for that hotel, all that was not taken into your affidavit?—I considered that their affidavit and the valuation would be satisfactory. We took the responsibility, of course; that we were appointed valutors, and we were satisfied, as far as the evidence went, that it was plain.

Q. But you had no evidence at all?—We had the accounts and the statement in the ledger. We might not have been so particular from the very fact that we did not think at the time that they would get anything at all. I thought at the time myself that they were not entitled to anything.

Q. Yet you assumed the responsibility of saying that they were to get \$5,029 for the property?—If they were legally entitled to it. If they had no legal claim they would not get anything. I said to Mr. Oliver myself distinctly that he was not entitled to anything under this Act, unless they could prove that they did not know anything about the reservation. I thought it very strange if a public man like him knew nothing about it.

Q. Tell us why you were so particular about getting an affidavit from Hendrick before you would send down the report of his hotel, when you did not do the same with Oliver & Davidson?—There was this difference: Hazlewood was anxious to get Hendrick's hotel for an engineering office, and he was urging us to get that building into our possession as soon as possible. We made a settlement with Hendrick with that understanding, that it was possible that the application of that Act would come into force. Our agreement was simply on those conditions, because Government reserved to themselves the right to approve or disapprove.

Q. Why did you not do it for the other parties? Why did you not require the same affidavits from Oliver, Davidsen & Co. that you required from Hendrick?—I entered most distinctly into that arrangement, and Oliver told me he would send the affidavits down with regard to the value. Subsequently, he told me he had done so. We made the very same terms with them as we did with Hendrick, and if they did not carry out their agreement it was not our fault. There were several parties

to, the arrangement in the one case, and in the other there was only Hendrick to deal with.

Q. What was the basis you adopted? To give them cost?—Yes.

Q. But in the bills which you brought down, the lots were charged for twice?—When I saw the account first there was no such thing as land in it.

Q. Is not the land charged twice in the bill?—When we saw the accounts originally there was no charge for land.

Q. I am not speaking of the accounts you saw, but of the accounts you presented to the Government. Are these the accounts you brought down and handed to the Government? (Accounts shown to witness).—I presume they must be, but I did not see them all when I brought them down. I brought them in an envelope; they were put up in that way and handed to me after I saw them, and I presumed they were the same accounts.

Q. You did not check this statement?—No; I did not.

Q. But now that you have checked it you see that the land is charged for twice?—Yes; but we had nothing to do with that.

Q. But surely it was your duty to see that the accounts you presented to the Government were correct?—I suppose it was.

Q. There are 77 claims adjudicated on?—Yes.

Q. How many of those did you examine? Did you and Mr. Wilson go together and adjudicate on all those claims, or did you take some and did Mr. Wilson take some?—Nearly all were adjudicated on jointly. In settling I sometimes took single claims and he others—that is, in getting the agreements closed, but we had everything arranged jointly.

Q. How many days were you employed in all this—the examination and settling with those parties until you made your final report?—I was about three months, I think, altogether, June, July, August and some portion of September. I got through with my valuation in about three months, but I was still corresponding with some parties after that—after I got home.

Q. What length of time were you employed by the Government in adjudicating on those claims?—I think it was eighty days I charged. I am not very sure how many days now, but the account will show.

Q. How much were you paid?—I was paid the same as other valuers—ten dollars a day.

Q. Did you make any agreement with the Public Works Department as to the amount you were to receive?—I knew nothing about it until I came down here.

Q. You thought that you were entitled to \$15 per day?—No; I did not.

Q. What amount did you send in?—For ten dollars a day.

Q. You did not send in an account for \$15?—No; I did not.

Q. How did you send it in?—For ten dollars a day and expenses.

Q. What was the amount of the first account you sent in?—Ten dollars a day and expenses.

Q. What did you value the expenses at?—I had to give the exact amount expended.

Q. There were other expenses besides travelling expenses?—Certainly. The expenses had to be given in detail; but I could not give the whole detailed account, so I sent in an account for \$5 per day expenses. They asked me to send down a detailed statement, which I did as far as I could of my actual expenses, but it was not as much as I actually expended.

And further deponent saith not.

ROBERT REID.

OTTAWA, 20th March, 1878.

WILLIAM MURDOCH, Civil Engineer, recalled and re-sworn:—

Q. When did you first go to Thunder Bay to begin the surveys of the Canadian Pacific Railway?—November 5th, 1872.

Q. What part of Thunder Bay did you begin to survey?—Prince Arthur's Landing.

Q. Who gave you instructions to survey there?—Mr. Sandford Fleming, Chief Engineer of the Canadian Pacific Railway.

Q. When did you begin the railway survey from Kaministiquia?—My instructions were dated 30th June, 1874.

Q. Who instructed you then?—Mr. Sandford Fleming gave me written instructions.

Q. Did any one else?—Yes; Mr. Mackenzie, the Premier.

Q. What were the instructions given you by Mr. Sandford Fleming?—The instructions given me by Mr. Fleming were that "I was to commence from the head of navigation on the Kaministiquia River, and locate a line between that and Lake Shobandowan and Lac des Milles Lacs."

Q. What instructions did Mr. Mackenzie give you?—Those instructions consisted in commencing that survey from the head of navigation on the Kaministiquia.

Q. Is the located terminus at the head of navigation on the Kaministiquia?—It is literally at the head of navigation.

Q. Had you any conversation with Mr. Mackenzie as to that point?—I had.

Q. Can you give it?—Mr. Mackenzie asked me where the head of navigation on the Kaministiquia was. I said to him the head of navigation on the Kaministiquia was about the west line of the town plot. He asked why I said so; he understood the head of navigation was Pointe des Meurons, ten miles from the mouth of the river. He said he understood from Mr. Fleming and from Mr. McIntyre it was so.

Q. That was the reason for selecting that point—that it was the head of navigation?—Yes; I said that Pointe des Meurons could not be the head of navigation.

Q. Did you consider that the point selected—that is, the town plot was the proper place for beginning?—Certainly not.

Q. Did you notify the Government as to where that line should terminate on the river?—I did.

Q. Was it a written notice?—A written report.

Q. Have you a copy of it?—I have.

Q. Would you read that portion of your report which bears on it?—Yes; it is dated September 8th, 1874, and addressed to Sandford Fleming, Engineer in Chief, Canadian Pacific Railway, Ottawa:—"In choosing the present terminal point for the beginning of the location, as shown on the plan and accompanying sketch as being the head of navigation, you will see from the windings of the river beyond that steamers could not go or pass each other up and down, and at that point the river level is twenty-seven feet lower than the banks, with level plateau on the top, gradually falling to the river's mouth. I would respectfully submit for your consideration the propriety of producing the line towards the mouth of the river to obtain a lower level and longer navigation in the fall of the year."

Q. That was your recommendation as to where the terminus of the line should be?—Yes.

Q. What is the distance from the western line of the town plot to the mouth of the river?—About four and a quarter miles, I should say. I judge that without actual measurement.

Q. What were your reasons for making that suggestion in your report?—I had several reasons.

Q. What particular place down the river would you recommend?—No particular place, but the nearer the mouth the better.

Q. Do you mean the nearer you go to the Hudson Bay Reserve the better for all purposes?—Yes; that is what I mean.

Q. Where is the Hudson Bay Reserve marked on this plan, exhibit "A"?—It is at the bend of the river, near the mouth.

Q. What land adjoins it up the river?—McVicar's, who had the post office, adjoins that.

Q. How far would that extend above the Hudson Bay property?—It was then included in the Hudson Bay property. What the division has been since that time I do not know.

Q. How far above the river would that property of McVicar's extend?—Half a mile, I suppose.

Q. What property adjoins that?—McKellar's.

Q. How far does that extend?—To the town plot.

Q. Who owned the ground next McKellar's, further down?—McVicar. I understand the Hudson Bay Company claimed the whole of it up to the town plot at that time. McVicar and McKellar were what you would call squatters at that time.

Q. Have any of those parties got titles from the Government since?—Yes; since that time.

Q. What frontage would their properties have on the river?—I should say McKellar's had five-eighths to three-fourths of a mile frontage. I say that without having any data to go upon.

Q. Is that the frontage since allowed?—I know nothing about that; I could only judge by the fences.

Q. McVicar's was next to the Hudson Bay Reserve, you say?—Yes.

Q. How much did McVicar claim?—I could not say.

Q. I think you said half a mile?—No; I said half a mile from McVicar's to McKellar's property.

Q. I asked what frontage McVicar's property has?—I cannot say. It may be one-fourth of a mile or three-eighths, as far as I could judge from the fences. I know nothing of it except by that.

Q. Then McKellar's property, you think, is half a mile to five-eighths?—I should say so from the position of their ground and fences.

Q. So that the two together would give a mile between the town plot and the Hudson Bay Reserve?—Without the frontage on the river of the Hudson Bay Company it is fully a mile and a half down to their fort from the town plot.

Q. As a professional man I want to know your reasons for preferring this part down the river, and suggesting, as you did in your report, that it should be selected in preference to the other?—One reason was, that at that, terminal point, the bank was twenty-seven feet above the water going down the slope of one and a half to one beyond the terminal point. At the west end of the town plot the bank is as I have described.

Q. Had you any other reason?—It would also give longer navigation further down the river in the fall of the year, which is a material consideration.

Q. Does the river freeze up as soon down near the mouth as it does up at the town plot?—It does not.

Q. Is the river wider opposite McKellar's and McVicar's and the Hudson Bay properties than it is opposite the town plot?—No; I do not know that it is. It is the widest opposite the mission; of course it is wider towards the mouth.

Q. What would be the difference between the time of freezing up at that point near the Hudson Bay property and the west end of the town plot?—It may be three or four days, perhaps five.

Q. Is the river nearly straight from the western point of McKellar's farm down to the mouth; or is it straighter than it is up to that point opposite the town plot?—It is straight opposite McKellar's farm, and then it is very slightly curved from the mouth of the river to the Hudson Bay Company's post. Undoubtedly it is much straighter from McKellar's down, than it is from McKellar's up to the west of the town plot.

Q. Is the point chosen for the working yard well selected?—I think not.

Q. What are your reasons for thinking it is not?—Because it is not on the same level. They have to run down grade to the terminal point; load and run up grade again to make up trains.

Q. Do you know what that grade is?—It probably must be approaching forty feet to the mile, perhaps fifty. I have no positive knowledge of it.

Q. In speaking of the McKellar farm I think you have already given evidence as to what that land could have been obtained for in 1875?—I think so.

Q. What was it?—The land could have been obtained for \$75 an acre.

Q. The round house, I suppose, is what you referred to just now?—I do not know where it is situated, but I believe it is twenty feet above the water.

Q. Would it not be necessary to excavate to get a grade of forty or fifty feet in a mile?—Yes; they would have to make some cuttings to get up from the water to the top of the bank. If they had taken it down the river they would have got a level plateau.

Q. What is the height of the bank immediately at the end of the town plot from the river?—Twenty-seven feet at the west boundary of the town plot.

Q. And on the McKellar farm?—I should judge it to be probably, some portions of McKellar's farm six feet, and some ten feet. The further you go down towards the mouth of the river, the lower the bank is, until it is about one foot.

Q. At the McKellar farm, would not excavation be necessary for the working yard?—You would have to cut about six feet above the docks. There might be an average of three or four feet to cut off to level the ground.

Q. Is twenty-seven feet the average level on the Government reserve?—No.

Q. How far do you suppose the bank is twenty-seven feet above the river?—It slopes gradually from twenty-seven feet down the stream to one foot near the mouth, and that grade is distributed pretty evenly over the distance.

Q. Did I understand that at the McKellar farm very little excavation would be required, while at the reserve it would be how much?—About fifteen feet, perhaps, to make their working yard level with their present line of railway, but I do not suppose it would obviate that difficulty at the round-house already built now.

Q. It would require deep cutting?—Yes.

Q. Did I understand you to say that McKellar's farm would be a much more advantageous terminus for the working of the business of the road than where it has been placed?—I think so, or even further down than McKellar's farm.

Q. Take McKellar's farm, would it be more advantageous for the terminus than the place selected?—Yes.

Q. And you say the further you go down below McKellar's farm the better?—Yes; until you get too far into the low ground.

Q. Would the dockage be better opposite the McKellar farm than at the town plot?—The dockage would be quite as good.

Q. Was it all cleared?—I think so. Part of it may not have been, but they had a large clearance I know.

Q. Was the town plot cleared?—It may be partially cleared, but it was nearly all standing with the primeval forest when I saw it.

Q. In speaking of the Kaministiquia River, have you any knowledge of the bar that lies opposite the mouth of the river?—Yes; I sounded it on one occasion previous to any dredging being done there.

Q. Would it be necessary to protect the mouth in any way across that bar?—I should think it would. In the present state of the river, allowing it to remain as it is, it must continually fill up.

Q. What would be necessary in order to protect that channel?—It might not require piling or protection in that way at all.

Q. But in order to keep it open?—In the present state of the river it must fill up. By piling and cribbing it you will not prevent it from filling up. It might prevent the sand from drifting in from the sides; but that is all.

Q. Why would it not protect it?—Because the drift comes down the river and will continue to fill it up.

Q. Do you know the distance from a given point along the line as located—say Murillo station—to the eastern terminus of the railway?—On this plan of the railway it is twelve and a-half miles to the eastern terminus of the road from Murillo station.

Q. From Murillo station, could as good a line be obtained to the McKellar farm without passing through the town plot?—Unless you actually walked over the ground to ascertain that you could not say definitely, but looking at this plan, there seems to be no difficulty.

Q. But you have been over the line?—Yes; and I know of nothing to prevent it, but I cannot speak positively on the subject.

Q. Are you aware of any engineering difficulties?—I know of none.

Q. Is there any doubt in your mind that a perfectly good line could be got to the McKellar farm?—None whatever.

Q. Have you been there?—Yes; I have been there, backwards and forwards, and I have never seen any obstructions, and from the lie of the ground I should say there were none.

Q. Is it a level country?—It is a level plateau for the first nine miles up.

Q. What would be the distance from Murillo station to this McKellar farm, without touching the town plot, as shown by the plan?—Twelve and a-quarter miles.

Q. Is that drawing a bee-line to the McKellar farm?—No.

Q. Do you mean to the water at the McKellar farm?—Yes.

Q. Does the McKellar farm adjoin the present terminus of the railway?—I think it does adjoin the town plot.

Q. Can you state to the Committee the distance from the present eastern terminus of the railway to deep water—that is, coming across the bar at the mouth of the river?—About three miles.

Q. What distance would it be from Murillo station to deep water at the town plot?—Fifteen and a-quarter miles.

Q. What distance would it be by the McKellar farm from Murillo station to deep water?—About fourteen and a-half miles, I should judge.

Q. Hence, it would be shorter to the deep water by the McKellar farm road than by the present road?—As shown in this plan, I think it would.

Q. Do you know what the section of country is like between Murillo station and Prince Arthur's Landing?—I know something of the country; I have been over it at different points.

Q. Professionally?—Not professionally; but I have looked at it at different points. I do not know that any great difficulties would exist in the construction of a railway line from Murillo station to Prince Arthur's Landing.

Q. What is the distance by the plan from Murillo to Prince Arthur's Landing?—Thirteen and three-eighth miles.

Q. Is that a straight line?—It is not.

Q. Is it a line on which a railway could be located?—I know of nothing from the nature of the country that would prevent it. Probably Mr. Dawson would be better able to give evidence on that point than I would. From what I know of Prince Arthur's Landing and intermediate parts of the country, I do not know of any serious obstacle.

Q. Would there be any difficulty in getting dockage at Prince Arthur's Landing without infringing on private rights?—As at present occupied, I do not know what the private rights are.

Q. Are you aware there is a chain reserve for the Government along the front of the bay?—I see it on the plan, and I have seen it staked out as such at Prince Arthur's Landing.

Q. Would there be any difficulty in finding station grounds at Prince Arthur's Landing—say east of the town?—I should say station grounds could be got there. It is comparatively flat, and sloping to the shore.

Q. Would it be well adapted for a station ground?—So far as my recollection serves me, it would. There is the McVicar property there, and immediately behind it

rises a small hill. I cannot say what the space is between that hill and the lake; but it strikes me there would be room enough for a station there.

Q. What reserve does the Government hold apart from this chain reserve?—About ten acres for docks and frontage.

Q. Do you know what the McVicar property on the Kaministiquia could be obtained for?—I do not.

Q. Could you form any opinion as to the expense for getting right-of-way from Murillo station to Prince Arthur's Landing?—It would depend on the cost of land it would pass through, whether it would be mineral right or farming lands, or town lots. I should say it would be very cheap.

Q. It is all wood, is it not?—Yes; except in a few places where it has been burnt.

Q. Would there be any difficulty in widening that frontage at Prince Arthur's Landing out a little from the edge of the bank into the bay, in order to make a wider track if necessary? Does the water fall off deep from the land?—It falls off in a very gradual slope to about twelve hundred feet, where it is eighteen feet deep.

Q. So there would be no difficulty in getting abundance of room by making land?—By making land in the water there would not.

Q. Can a dock be made at Prince Arthur's Landing so as to make it a safe harbor?—I think so.

Q. To what extent?—I have a plan showing a projected dock, but I have not got it here.

Q. What would be the probable cost of making dockage there to make it a safe harbor?—In my opinion it would be about \$75,000 or \$80,000. That is for a harbor to protect vessels in any wind that blows there, except on rare occasions, when a vessel may have to leave any harbor. It all depends upon the number of vessels you want to shelter.

Q. Is there a dock at Prince Arthur's Landing now?—Yes.

Q. How far out does it run?—Six hundred feet.

Q. How much further would you propose to run it?—A projection of six hundred feet more.

Q. Into what depth of water would that carry you?—Eighteen feet.

Q. And you estimate the cost of that at about \$80,000?—Yes.

Q. What area of shelter would that afford?—About one thousand feet.

Q. What width is this ideal dock?—Eighteen feet on top and twenty-five on the bottom.

Q. Where is the protection?—It would be constructed so as to protect vessels from a sea coming in from the east or through the gap.

Q. You mean a pier at right-angles to the shore?—The present pier runs towards Thunder Cape.

Q. What is the distance across from Prince Arthur's Landing to Pie Island?—About nine miles. I would propose the extension to go from the corner of the "L."

Q. Is the "L" built?—Yes.

Q. How far does it run?—Two hundred feet.

Q. And the other?—Six hundred feet.

Q. What did it cost?—I do not know.

Q. What is the depth of the water at the end of the "L"?—Sixteen feet, I think.

Q. The largest vessels lie at the present dock, do they not?—Yes.

Q. And you think by the projection you would make it a perfectly safe harbor for eighty thousand dollars?—I think so, as far as that accommodation would go.

Q. As regards the accommodation, would this projected dock afford as much accommodation as the Kaministiquia?—You have two miles of frontage there, but it is not improved yet; and what accommodation it would afford I cannot tell.

Q. Would it afford more accommodation than the dock?—Yes, if it were all docked.

Q. In speaking of the river, for instance, at the Hudson Bay Company's dock,

can a vessel turn there?—Not without swinging her. I should think—not a vessel the size of the “Chicora” or the “Cumberland.”

Q. The Beatty Line boats; can they not turn there?—Yes, but what I say is they must be warped round.

Q. Then, if there was much navigation on that river it would be necessary to have it widened very considerably?—It might in places, and it might not.

Q. You spoke of the difference in time in the closing of the navigation of the river at certain points; are you aware what that difference is?—I know the river opens earlier than Thunder Bay does. I have seen it open on two occasions.

Q. And you know that it remains open longer down the river than it does further up?—Yes.

Q. Have you ever been there when it was open below and closed above?—Yes; I have known one case where they drove oxen across above when it was open below.

Q. Is the land at the lower end of the town plot more favourable for dockage and railway work than at the upper end?—It is.

Q. Do you suppose that the object in running the railway down to the eastern end of the town plot is for the purpose of getting more convenient and advantageous ground?—They had to do it.

Q. From the bend in the river opposite the Mission is it a pretty straight run out to the lake?—It is a very good run.

Q. So that really for the working of the business of the road, do you think it is necessary to go down there?—It was necessary for them to come from the terminal point down to where they could get a lower plateau so that they could load from their vessels to the railway dock to put on the trains.

Q. It was necessary for them to run from where they enter the town plot to the lower end to get dockage?—Not all the way; seven hundred feet. To reach the lower end they would have to come thirteen hundred feet.

Q. Is it not very important they should have the dockage on that straight run to the river and avoid the bend?—Undoubtedly it is.

Q. For a large vessel laden it would be very difficult to turn round that bend?—It would.

Q. That being the fact, it would also be a fact, would it not, that the McKellar farm would be still more advantageous than this portion of Fort William Town plot?—I think so, with the exception it might be slightly narrower. It shows by the plan to be the same width.

Q. Do you know the width of the river?—I do not.

Q. The McKellar farm could have been reached by a shorter mileage of railway from Murillo station than the eastern end of the town plot is reached by the constructed line?—It appears so by the plan.

Q. Do you know anything of the value of land outside the town plot?—I have no idea. I have not seen it since 1874. I can give you no information on that point.

Q. In your report to Mr. Fleming you submit for his consideration the propriety of carrying the line lower down?—Yes.

Q. The reason you gave was that there would be a lower level and longer navigation in the fall of the year?—Yes.

Q. Did you give any other reasons?—None.

Q. You did not, at that time, suggest the many advantages you have to-day mentioned before the Committee?—I did not.

Q. By the lower level you meant there would be more convenience for dockage?—Yes. I meant that.

Q. Do you know whether there were other engineers who entertained a different opinion as to the advantages of level?—I do not know anything about that.

Q. Do you know whether Mr. Hazlewood thought the other offered more advantages?—I do not know about that.

Q. Did Mr. Fleming reply to your report?—He did not.

Q. When was it you had the conversation with Mr. Mackenzie?—Immediately previous to my going up.

Q. Previous to that report?—Yes. At the time I received my instructions.

Q. That was in the beginning of 1874?—It was about the 30th of June.

Q. I think you said Mr. Mackenzie's opinion then was, that the terminus should be as near Pointe des Meurons as possible?—Yes; he said it should be the head of navigation.

Q. And he thought it extended up to Pointe des Meurons?—He understood from Mr. McIntyre and others it extended that far.

Q. And who selected it lower down?—In the conversation with Mr. Mackenzie I told him the head of navigation was at the west line of the town plot.

Q. Then Mr. Fleming confirmed that?—Undoubtedly, by the action that was taken subsequently.

Q. He confirmed your opinion?—My opinion had nothing to do with the terminus of the railway. It was simply as to the head of navigation.

Q. Was not Mr. Fleming's particular object to reach the head of navigation?—Undoubtedly; that was my instruction.

Q. Therefore, if in your opinion, the head of navigation had been five miles further up it would have gone there?—It would.

Q. So, practically, in your judgment, it was neither the ownership of the land nor any other cause that governed the selection, than the desire to have the terminus at the head of navigation?—My instructions had nothing to do with that point. My instructions were to take the head of navigation wherever it was.

Q. And that was done?—It was.

Q. You think that point may fairly be considered the head of navigation?—I do consider it the head of navigation.

Q. But in fixing the terminus of the railway, other questions should be considered as well as the head of navigation. Should not the practicability of working the railway economically be considered?—Undoubtedly.

Q. Are you aware that Mr. Fleming ever was there?—I imagine Mr. Fleming was there on his trip across to British Columbia.

Q. But you do not know that to be a fact?—I do not.

Q. You spoke about the value of lands on the McKellar farm. Of course it is entirely a hypothetical question—supposing the McKellar farm had been selected and marked out and plans filed showing it was the terminus, are you prepared to swear that Mr. McKellar would have allowed his property to go, at such a price?—That is a question of human nature.

Q. I believe you surveyed several points for the Pacific Railway on Lake Superior?—No.

Q. Did you not survey points at Nipegon Bay?—I was there in charge of the works when they were going on.

Q. At that time it was in contemplation that Nipegon Bay would be selected for the terminus?—Yes.

Q. The surveys were commenced?—Yes.

Q. How long were you in that particular neighborhood surveying?—I was there one summer in charge of work in Mr. Fleming's absence. Mr. Rowan took Mr. Fleming's place.

Q. It was a considerable time—a year and a half—that the surveys were vibrating from that particular point?—Yes; about that. I before then chose a line crossing from Rat Portage to Nipegon Lake.

Q. Did you survey Prince Arthur's Landing?—I did so.

Q. Then, practically, this point that was selected was the third available one that was considered?—Yes.

Q. The others were preceding it?—Yes.

Q. During the existence of the late Administration were you not instructed to proceed from Prince Arthur's Landing?—I was.

Q. You had instructions also to survey a line from Nipegon.—Yes.

Q. The mere fact of your being directed to try lines from various points did not lead to the conclusion those points would be selected?—Certainly not.

Q. Therefore, the mere fact of putting down levels at particular points on the lake was no indication that any of them would be selected?—No.

Q. Supposing that the survey, instead of its being made where the terminus is, had been made where, in your opinion, the terminus ought to be, and you had gone down to the McKellar and McVicar properties, and had there marked out property, and Mr. Fleming had approved of your selection, do you pretend to say then, the McKellar and McVicar lands could be obtained for anything like the price you have named?—Probably not.

Q. At that time was the title still in the Crown?—I think it was; John McKellar had not his deed from the Crown.

Q. You know that Mr. McKellar claimed it?—Yes.

Q. Did Mr. McKellar express his willingness to you to sell at seventy-five dollars per acre?—Not to me particularly, but to anyone that would take it.

Q. Which McKellar was it?—John McKellar, the son of the old man.

Q. The property was in the old man's name?—I do not know about that.

Q. Was the old man dead at that time?—No; but he was imbecile.

Q. And you think if you had selected that particular locality, and the plans had been filed, you would not have been able to obtain the land at the price named?—No; but he offered it at that price.

Q. Was that before the terminus was selected?—Yes.

Q. You were not surveying this property?—No; but we were surveying close to his property, at the rear of it.

Q. If the Government had decided to fix the terminus on the McKellar farm, and gone, as any prudent man would have done, to purchase, do you think Mr. McKellar would have sold for seventy-five dollars per acre?—He would have sold at that time, because he wanted money badly, but whether he would have sold to the Government at that price, I do not know.

Q. The line, as surveyed, runs through a large extent of front property along the river, which costs the most money; now, by going to the McKellar farm, would the line have run through any considerable quantity of front lots?—None, as laid out, except the McKellar farm. It would have gone through some lands McVicar laid out there.

Q. He had laid out a town plot?—Adjoining it.

Q. Were those lots laid out at the time you were surveying in 1874?—I cannot tell you. I remember seeing them subsequently, but when they were laid out I cannot say.

Q. The line that you describe as running from the Murillo station to the McKellar farm, would it have run through any part of the town plot?—Not as that plan shows.

Q. In 1874, were you familiar with the mouth of the river?—Yes.

Q. Do you know what money had been spent on it at that time?—The Ontario Government had done some dredging. I have no idea what they had expended.

Q. You have not been there since?—Not since.

Q. When did you leave?—The latter end of November, 1874; the same year I have spoken of.

Q. I believe you left in consequence of some misunderstanding with Mr Mackenzie?—Yes.

Q. Fault was found with you?—Yes.

Q. And you have not been employed since?—Not under the Government.

Q. In reference to the selection of a point for the terminus, what is your general conviction about Prince Arthur's Landing or the present terminus? Which is the best as a harbor?—I favor the Kaministiquia as a harbor.

Q. It is better altogether, is it not?—It is better in some ways.

Q. You think the advantages are in favor of it?—My opinion is favorable to the Kaministiquia.

Q. Then your opinion with regard to the land would be altogether unprejudiced. Quite unprejudiced.

And further, deponent saith not.

WILLIAM MURDOCH.

OTTAWA, 20th March, 1878.

JOHN CLARK called and sworn :—

Q. Where do you reside?—In Toronto.

Q. What is your profession or occupation?—A Commission Broker and Mining Engineer.

Q. Have you been acquainted with the country about Prince Arthur's Landing and Fort William for a length of time?—Yes; since 1869, I think, I have been up there every year. For about eight years I have been acquainted with that country.

Q. Do you own any property at Fort William?—I did.

Q. When did you own any property there?—I bought it on the eighth of February, 1871.

Q. Were they town lots?—Yes.

Q. What did you pay for them at that time?—Four dollars a lot.

Q. You got them from the Ontario Government?—Yes.

Q. How many lots did you purchase?—Five.

Q. Where are they situated?—They were numbers fourteen and fifteen on the north side of Chief Street; fourteen and fifteen on the south side of Frederica Street, and twenty-five on the north side of Water Street.

Q. Are they all together?—No; there is one separate.

Q. Are they all within the reserve as taken by the Government for the railway?—Yes; they are all within the railway reserve.

Q. Do you hold those lots at present?—No; I have sold them.

Q. To whom?—Joseph Davidson, of Toronto.

Q. Is the Joseph Davidson of Toronto the Davidson of the firm of Oliver, Davidson & Co.?—Yes; the same.

Q. When did you sell them to him?—I sold four of them to him on the nineteenth of November, 1874.

Q. When did you sell the other one to him?—I think I sold the other one a short time afterwards.

Q. What did you get for the first four you sold?—Sixty dollars apiece for them.

Q. How much did you get for the last one?—Either eighty or one hundred dollars.

Q. Was it a corner lot?—I do not recollect which it was. Very likely it was the lot on Water Street.

Q. When was this last sale carried out?—A few days after the other. It was the same fall. It was either the latter end of November or the beginning of December, 1874.

Q. Did Mr. Davidson give any reason for purchasing them, after the sale?—Yes. He said he knew the terminus was to be there. It was not generally known whether it was to be there or at Prince Arthur's Landing.

Q. But he said the terminus was going to be there?—Yes.

Q. Did he tell you how he knew it was going to be there?—Yes.

Q. What did he say?—He said that he got his information from Mr. Mackenzie.

Q. Information that the terminus was to be there?—Yes.

Q. Did he say at what place Mr. Mackenzie told him?—I remarked, I thought it was not likely Mr. Mackenzie would write to him about the terminus; and he said Mr. Mackenzie was in Toronto and had told him that. To satisfy myself—because I rather doubted it—I made enquiries, and found Mr. Mackenzie was in Toronto at the time.

Q. That was at what time?—The latter part of November, 1874.

Q. Did Mr. Davidson show you any map that he had of the railway reserve there?—He did. He came in and showed me a map. It was colored the same as the plan exhibit "A."

Q. Did he say where he got this map?—He said he got it from Ottawa.

Q. Was any person present when he showed you this map?—Yes.

Q. Who was it?—Mr. Savigny, of Toronto, a surveyor.

Q. Where did this conversation take place when he showed you this map?—Partly in my office. It is in the same building, opposite Mr. Savigny's office. He showed me the map in my office, and I think I brought him over to Mr. Savigny's office to show it to him.

Q. If you had had all the information you profess to have got from Mr. Davidson, do you think you would have let him get the lots for eighty or one hundred dollars?—I don't think I would.

Q. You think he did a rather sharp thing?—He did what many others would do.

Q. Had he just come down from Fort William?—I don't know.

Q. Had he been up there?—He had been there one summer; I don't know whether it was that year or not.

Q. Were you there in 1874?—I was.

Q. Was Mr. Murdoch there surveying?—I think I saw him there one of the summers I was up to Fort William.

Q. Had you any other interest there than those five lots?—I had no other interest in the town plot than those five lots.

Q. But you had interest enough to induce you to find out where the terminus was to be?—Yes.

Q. Did you go to where the surveyors were at work?—I did not.

Q. Was the subject discussed at Prince Arthur's Landing and the Town Plot as to where the terminus would be?—Yes; but there was a diversity of opinion as to whether it would be at Prince Arthur's Landing or the Town Plot.

Q. Did the surveyors express any opinion?—I do not recollect hearing any opinion expressed.

Q. Would not an ordinary spectator have come to the conclusion that the terminus was very likely to be where the engineers were taking levels and mapping it out?—If you ask my opinion, I certainly thought it would be at the Landing, and I was perfectly surprised when I learned it was at the Kaministiquia.

Q. But you felt it was rather a sharp thing that Mr. Davidson did?—I did.

Q. Were you aware what time the surveyors went there for the purpose of making out the location of the place?—I was not.

Q. Had you purchased lands elsewhere? Had you any interest at Nepigon Bay?—I have some lands at Nepigon Bay—mineral lands.

Q. At the depot there?—No.

Q. Have you any at Prince Arthur's Landing?—I have, and hold some yet.

Q. Would your interests be greater at Prince Arthur's Landing, than at Fort William?—My interest, as it turned out, was a good deal more at Fort William than at Prince Arthur's Landing.

Q. Where did you own the largest area of land?—At Prince Arthur's Landing. I had one town lot on Cumberland street, also one on Water street, also a five acre park lot, just outside the town plot, adjoining Prince Arthur's Landing village.

Q. When did you buy the park lot?—I do not at present remember the date.

Q. Whom did you buy it from?—Mr. Russell.

Q. Is the five-acre lot on the Dawson road, or is it east or west of that?—It is east; there is a mine close to it—the Singleton mine. It is on the way to the Shuniah mine.

Q. How much did you pay for it?—\$100.

Q. When was that?—In 1875.

Q. After the selection of the Canada Pacific Railway terminus?—Yes.

Q. What time in 1875 was it?—It was in the fall of 1875.

Q. Did Mr. Davidson communicate the information to you of the selection of the terminus in a conversation?—Yes.

Q. It was not a subject he tried to conceal?—He took good care that he kept it until after he got the land; he had no interest in concealing it then from me.

Q. He did not attempt to conceal it after he had effected his own object?—He did not.

Q. Is the Committee to understand that in the fall of 1874, Davidson showed you a plan of Fort William town plot, colored in the same way as exhibit "A"?—It was colored; I cannot say whether it was the same as this plan. It was colored so as to show where the terminus would be, and he told me that the Government had to get all those colored lots.

Q. Where did he get it?—He said he got it from Ottawa; I took it for granted that he got it from the Public Works Department, but he did not mention Mr. Mackenzie's name.

Q. But he mentioned Mr. Mackenzie's name with regard to the information?—He did.

Q. He made no concealment that Mr. Mackenzie said the terminus would be there?—I do not know.

Q. He did not tell you confidentially?—No.

Q. Were you surprised when you heard it?—I was very much surprised.

Q. What did he say?—He said Mr. Mackenzie told him the terminus was to be there.

Q. Is Mr. Savigny in Toronto now?—He is.

And the further examination of the said witness was postponed until to-morrow.

On the 21st day of March re-appeared the said witness, whose examination was continued as follows;

Q. Are you engaged in business up there?—Yes; in mining business.

Q. Have you any knowledge as to how much earlier the navigation of the Kaministiquia closes in the fall of the year than of the lake at Prince Arthur's Landing?—Every season, of course, is not the same, but it is generally closed a month earlier. I might mention a circumstance from my own experience. I had occasion to take some lumber down to my mine in the beginning of December—

Q. Of what year?—The fall of 1871, I think it was, and I took the lumber down the river on the ice.

Q. From where?—From above the Mission, I put it on board a small schooner at the mouth of the river and sailed it down to the mine, about sixteen miles down the bay from Fort William, and the schooner came back again. I recollect that circumstance well.

Q. Where was the schooner lying when you transported the lumber to her?—At the extreme mouth of the Kaministiquia.

Q. At anchor?—She just came up alongside of the ice. I don't know whether she had her anchor out or not. She came alongside the ice and we put the lumber on board.

Q. Did the navigation on the lake continue open any length of time after that?—Pretty well towards the end of December—to the middle of December; at all events that fall.

Q. State what time in December it was?—I could not say. I remember being down at the mine on St Andrew's day, the 30th of November. A few of us went down on a tug on that day, and it was after that some time.

Q. Do you know how long the river had been closed with ice prior to your taking the lumber down?—I don't know the time. It generally closed about the first or middle of November.

Q. How did you bring the lumber down?—With sleighs and dogs and Indians.

Q. Would the ice have carried horses at that time?—No, it would not have carried horses. They could have gone on the edge well enough, but they could not have crossed the river.

Q. Would it have been possible for vessels to have broken their way through the ice?—No. The fall before last it kept open longer than usual in consequence of the tugs going up and down. It was never known to be open so late before.

Q. Was the season peculiarly favorable for its being kept open?—Yes.

Q. As a general thing do you consider that the navigation closes there earlier than at Prince Arthur's Landing?—As a general thing, I believe, it does, but I have

kept no note of it. The river opens a little earlier up the stream, but no vessel can get in there in consequence of the ice at the mouth of the bay.

Q. Have you been there in the spring?—I was there one spring; I had remained there all that winter and another fall; I came down in January.

Q. Do you know how late the boats come down through the Sault Canal? What is generally the time of the last boat?—I came down with the last boat in the latter end of November, in 1876. The river was closed then.

Q. Do vessels ply from Ashland and the south coast to Prince Arthur's Landing very much later than that?—Yes; I believe they do. There were vessels came into the bay after we left, but I have had no experience of it.

Q. The spring that you were at Prince Arthur's Landing, how much earlier could vessels have come in there than they could have entered the Kaministiquia?—The spring that I was there was a very extraordinary season. I recollect the whole of the ice went out at once. I recollect the circumstances very well. Some of the young men went over to Welcome Island on snow-shoes on the crust, and two days after that the ice was broken up and went out with a nor'-west wind. It came on showers of rain and thunder during the night, and in the morning we were surprised to find the whole of the ice had gone. Its departure was simultaneous at Prince Arthur's Landing and Kaministiquia.

Q. I think have you mentioned the sale of a Water street lot at Prince Arthur's Landing; how much did you receive for it?—One thousand dollars.

Q. What was the value of the improvements on it?—There was a house—the first house that I built there—worth \$300 or \$400.

Q. Then the lot would have been worth between \$600 and \$700?—Yes; the lot was a valuable one. It was a corner lot.

Q. Was this lot fronting on the reserve?—It did not come down to the water; it fronted on Water street.

Q. How close is the beach to it?—About 100 feet.

Q. Is that not one of the best streets in Prince Arthur's Landing?—It was at that time; but Cumberland street, it is considered, will be the best.

Q. Was not that lot, being a corner lot and situated near Flaherty's hotel, considered one of the best lots in the place?—Yes; it was near the largest hotel in the place, and was a corner lot.

Q. At what time was that lot sold by you?—I could not recollect exactly; but it was before 1874. It may have been in 1872 or '73.

Q. It was before it was known where the terminus was to be?—Yes.

Q. Then the prices of lots were speculative, somewhat?—Yes; they were speculative.

And further, deponent saith not.

JOHN CLARK.

OTTAWA, 21st March.

Captain JAMES DICK called and sworn, was examined as follows:—

Q. Have you commanded steamboats on the lakes?—Yes.

Q. How long have you been a steamboat commander?—About twenty years.

Q. Have you commanded steamboats navigating Lake Superior?—Yes.

Q. How many years did you command a steamboat on Lake Superior?—Three years.

Q. Running between what ports?—Collingwood and Fort William—that is Prince Arthur's Landing.

Q. What was the name of the steamer?—The Rescue.

Q. Did you find Prince Arthur's Landing a safe harbor; it was a roadstead, I believe?—Yes; we selected it as a very suitable place for anchorage and a harbor.

Q. Did you find it tolerably well sheltered?—Very well indeed. We never found any difficulty.

Q. What years were they?—I think it was 1858, 1859 or 1860—that is my recollection of about the time.

Q. Did you ever enter the Kaministiquia with a steamer?—No.

Q. Why not?—There was no harbor; there was a bar about three quarters of a mile at the mouth of the river; and there was only three or four feet of water.

Q. You mean the bar was three quarters of a mile in width?—Yes; from the mouth of the river to deep water.

Q. Have you since then entered the Kaministiquia with a steamer?—Yes; I went in with a small tug.

Q. What draft of water?—She drew about four or five feet.

Q. That was before there was dredging done at the mouth?—There had been dredging done.

Q. From your knowledge of the shoal there, do you think a channel can be kept open easily by dredging?—Yes; but it depends upon the expense

Q. What I mean is this:—if it is once dredged, will the channel remain open?—No; it will require to be constantly kept cleaned.

Q. What does the bottom consist of?—Sand and mud—all the stuff that is carried down the river.

Q. Is the bar created by the debris that is carried down the river?—Yes; that is quite plain.

Q. You have not entered it with larger steamers than the one you have mentioned—a small tug?—That is all.

Q. Did you ever spend a winter up there?—No.

Q. You don't know anything about the closing of the river—how much earlier navigation usually closes there than at Prince Arthur's Landing?—I have left Prince Arthur's Landing with a steamer when the river was closed.

Q. About what date?—I think the latest was about the 13th November leaving Prince Arthur's Landing, and the River was frozen over then.

Q. Did you know how long it had been previously closed?—I did not know. I went over to the Hudson Bay post before I left, and it was closed then. I pulled into the mouth of the river, and walked over to the Fort; that was about the 12th November 1858 or 1859, and it was a very cold year.

Q. Have you any knowledge of its opening in the spring?—No; I have not any knowledge of it in spring; I have not been there before the eighth of May.

Q. You left Prince Arthur's Landing on the thirteenth, ran down the lake, through the Sault Ste. Marie, and made your way to Collingwood?—Yes.

Q. How much longer was the lake open that season than usual?—I think it was closed earlier that season; it was a very cold season. I hurried down to get through.

Q. About what date does the navigation usually close?—About the first of December in ordinary years.

Q. And you say the river was frozen over when you left Prince Arthur's Landing?—Yes.

Q. Was it frozen so that a steamer could not navigate it?—I did not pay much attention to it; I was in a hurry to get away.

Q. You saw that it was frozen across?—Yes.

Q. Did you select Thunder Bay as being the best point for a ship to remain at during a storm and discharge a cargo?—From close observations by practical men, we considered it was the best place.

Q. Has your subsequent experience corroborated that?—I never saw any difficulty about it.

Q. Have you had any experience in heavy gales there?—Yes.

Q. And you never experienced any difficulty with respect to the anchorage?—Does a vessel ride easily there?—Yes; as easily as an old shoe.

Q. Is the water deep?—Yes; it deepens as you go out.

Q. Gradually or suddenly?—Very gradually.

Q. Do you know the Kaministiquia River very well?—Yes.

Q. Have you been up it frequently?—Yes; a hundred times, I suppose.

Q. Does the river remain open longer at the town plot than it does at the mouth?—I have never had much experience in that matter, not being there at that season.

Q. Do you consider the river wide enough for the large vessels that are plying in that direction to turn in easily?—At the mouth it is.

Q. But up as high as the Mission, where the Government Wharf now is?—I know where lot number six is, and I know the town plot there well; the river is not very wide there.

Q. Is the river sufficiently wide there for the schooner propellers to turn in easily?—It depends upon the length altogether; they are building them very long now.

Q. Can such vessels as the "Ontario" and "Quebec" turn there?—Yes; they can turn there.

Q. Can the schooner propellers of Lake Erie turn there?—I don't know.

Q. Is it your opinion that the navigation on the river does not remain as long open as it does at Prince Arthur's Landing in the fall?—I am certain that it does not.

Q. Is not the navigation being open in the fall of more importance than an early opening in the spring?—It is all-important in the fall, because the rush comes on in the fall.

Q. Is it not a fact that a very considerable trade comes in from Ashland and the south shore, after the closing of the canal?—I have learned that there was.

Q. Have you any knowledge of it?—No; I have not; but I have heard of vessels going there and discharging cargoes after the canal closed.

Q. When you speak of vessels turning in the river opposite the town plot, where the terminus is fixed, do you mean that they can turn with their own machinery?—No; they will have to be warped or turned round with a tug, or some other way. They would have a great deal of trouble to swing themselves if the wind was blowing on the broadside.

Q. Is it possible for a sailing vessel to go up the river to the town plot?—Not without the assistance of a tug.

Q. So that it will practically exclude all sailing vessels from going up there without a tug?—Of course, because they cannot go up without the wind is in their favor.

Q. Would a southerly wind interfere with a vessel in passing through that bar at the mouth—through a channel, say sixty feet wide, in going into the river?—If the wind is blowing hard there would be danger of a steamer drifting on the bank in a sixty feet cut, unless she had a heavy head of steam on before she reached it.

Q. Would it be safe for a sailing vessel to attempt it at all under those circumstances?—A sailing vessel would not attempt it.

Q. Is there any difficulty in a sailing vessel getting up to Prince Arthur's Landing dock?—No; none whatever, at any time.

Q. And no difficulty in remaining there at anchor in any storm that might take place in the Bay?—None whatever.

Q. How many times have you entered the Kaministiquia with a vessel?—I was never in the Kaministiquia in a vessel. I have entered it on a small tug, but I used to boat it up and down in a small boat frequently.

Q. What was the size of the tug?—She was about forty or fifty feet long.

Q. How many times did you go in and out of there with the tug?—I do not think I ever went up the Kaministiquia in a tug but once, but I travelled it in a skiff a hundred times.

Q. How early in the spring have you attempted to go into the Kaministiquia?—I have never attempted to go in it in spring at all.

Q. How many times after the month of October have you endeavoured to enter the Kaministiquia?—There was no entrance into it at all for a steamer; there was a bar at the mouth, and it could not be entered.

- Q. That was eighteen years ago?—Yes.
- Q. And you are speaking of your experience of eighteen years ago, and of the knowledge you gathered at that particular time?—Yes.
- Q. Do you know the "Manitoba"?—Yes; I have seen her.
- Q. What is her draught of water?—I suppose eight or nine feet.
- Q. Do you know whether she enters the Kaministiquia?—I am told so.
- Q. Would you be surprised if she had gone in every trip this last year?—I would not be surprised if she had plenty of water.
- Q. Do you know have the "Ontario" and "Quebec" gone in regularly?—I could not say.
- Q. Have you heard that they went in?—I have heard that they had not gone in regularly.
- Q. In your answer to one of the questions you said that you regarded Prince Arthur's Landing as being very well sheltered?—I did.
- Q. Where is the shelter?—It comes from Bear Point on the East.
- Q. How far is Bear Point?—It must be three or four miles down from Prince Arthur's Landing.
- Q. How far out into the lake does this point project?—Not very far.
- Q. Half a mile, or a mile?—No, not that far; but it is sufficient to make a good deal of shelter if the wind is from the north-east, but in an east wind it is not so available.
- Q. Is not the most important shelter—if you can call it so—the Welcome Islands and Thunder Cape?—Yes.
- Q. What is the distance to Thunder Cape?—Twelve miles, about.
- Q. What is the height of Welcome Islands above the level of the lake?—I should think about eighteen or twenty feet.
- Q. How many miles away from Prince Arthur's Landing are they?—About six miles.
- Q. What is the size of Welcome Islands?—I do not know.
- Q. Have you ever been at Prince Arthur's Landing in a gale from the east, or south and south-east?—Yes. I have been there in gales from every point.
- Q. Do you think that a vessel could have ridden safely at a dock there, without any protection?—I had not the experience of a dock there. I had only the experience of anchorage. I never took a vessel to the dock there, but I should think there is no difficulty about it.
- Q. There was no dock there at the time you were there?—No; we got timber out to build one, but we never built it.
- Q. Have you ever known it to be the case that a vessel could not lie safely at the dock in the harbor of Toronto?—Yes, it has been my own experience.
- Q. And for the safety of the vessel you would have to leave the dock?—Yes, cut and run. I would rather run for it, and risk wrecking her outside than in the harbor.
- Q. Which is the best harbor under all circumstances, that at Toronto or the one at Prince Arthur's Landing?—Toronto harbor, of course.
- Q. Would a vessel lie as safely at Prince Arthur's Landing as at Toronto under all circumstances?—No.
- Q. Do you know the McKellar farm on the Kaministiquia?—Yes.
- Q. Is the river nearly straight from the mouth to the McKellar farm?—Yes.
- Q. What is its character up to lot number six?—It is very crooked above the McKellar farm.
- Q. Do you think it is likely that the river will remain open longer near the mouth than up there?—Yes.
- Q. Do you think it would be easier for a boat to break her way through the ice up to the McKellar farm, in the fall, than up to the town plot?—Certainly.
- Q. To your recollection of the river, is it as wide or wider below than at the town plot?—It is wider below.
- Q. Have you any idea what the width is?—I never measured it, but my idea is that it is wider at the McKellar farm than at the town plot.

Q. Would it be a better place for a vessel to turn? Yes, it is wider.

Q. Do you think that the part of the river running a crooked course would be likely to freeze sooner than where it is straight? Yes, it is narrower up the river, as well as crooked.

And further, deponent saith not.

JAMES DICK.

OTTAWA, 28th March, 1878.

H. P. SAVIGNY called and sworn, deposed as follows:—

Q. Where do you reside?—At Toronto.

Q. What is your profession?—Civil Engineer and Provincial Land Surveyor.

Q. For what Province?—Ontario.

Q. Did you ever reside in the neighbourhood of Prince Arthur's Landing?—I have resided there.

Q. For how long a time?—I went up there in 1867, and I have been up there every year since until 1873.

Q. While there, were you practising your profession?—I was.

Q. Did you obtain a pretty thorough acquaintance with the country in the neighbourhood for some miles around Prince Arthur's Landing?—I flatter myself I did.

Q. Have you ever been on the line of the Pacific Railway from Murillo Station to the terminus?—I have never seen the line. It was not surveyed while I was up there, but from the map I know the country thoroughly.

Q. You have been back as far as that, say eight or ten miles from the front — I have.

Q. Are you acquainted with the town plot at Fort William on the Kama — I am

Q. When was that surveyed as a town plot?—I could not say exactly; it was surveyed a good many years ago by Mr. Herrick, at the time the township of Paipoonge was surveyed in 1859, I think.

Q. Have you a pretty accurate knowledge of the Kaministiquia River?—I have.

Q. Have you been often on it?—I have been, very often.

Q. Can you give us an idea of its width at the mouth, opposite the Hudson Bay Station?—I fancy the width there is about 280 feet.

Q. What is the width at the McKellar farm?—I do not know that there is much difference there. There is a place where it is much wider, where another branch strikes off. It forms a large basin.

Q. That is a little below the town plot of Fort William?—Yes.

Q. How much?—Half a mile, I suppose.

Q. Is it opposite the McKellar farm?—Yes.

Q. Is the course of the river crooked above that point?—Yes; it is more crooked than below. After you get up to the town plot there is quite an elbow in the river, about the centre of the town plot.

Q. What is the width of the river at that elbow, opposite the town plot?—I suppose 25 feet.

Q. About what depth is it?—I do not know.

Q. I suppose you know by the map the exact position of the railway, as located? —Yes; if the map is correct, I know it perfectly.

Q. Please glance at the map, and follow the line of railway out to Murillo Station. I should like to know whether there is any difference in distance between the present line from Murillo Station to the terminus, and a line from Murillo Station to the river at the McKellar farm, not following the present line down to the terminus, but taking as direct a line as possible from Murillo Station to the McKellar farm?—Looking at the map, I should say there was a considerable difference, probably three-quarters of a mile or a mile in favour of the McKellar farm. I have not measured it, and I say this merely from glancing at the map.

Q. You have been over the country; what is the character of it? Does it present any engineering difficulties for the construction of a railway?—The whole of this section of the country I have explored, between Prince Arthur's Landing, the town plot, and the McKellar farm; I explored it all for minerals, and surveyed a large portion of it for Mr. Dawson. There is only one difficulty that I saw, one location where there is a bluff, and that is the only thing like an engineering difficulty that I am aware of. It stands squarely up, and is an extraordinary thing.

Q. Is it of very great dimensions?—No. It is a bluff of land that rises on a location lettered M. The slightest divergence would avoid it, but even if it were in the line it would not be any great difficulty.

Q. I notice several small streams on the line?—They would not present any difficulty. I think a straight line—a tangent—could have been obtained from Murillo Station to the McKellar farm.

Q. Do you think there would be any greater difficulty in crossing by a fairly straight line to the McKellar farm than to the town plot?—No.

Q. By that straight line would the town plot be avoided?—You would pass in rear of the town plot. It is lower land, as the land falls off to the northward from the river.

Q. A general incline or steep?—Quite gentle.

Q. So gentle as to be scarcely perceptible to the eye?—Quite so.

Q. You say you would pass to the rear of the town plot; do you mean in the town plot or outside of it?—Outside.

Q. Would there be any engineering difficulties from Murillo Station to Prince Arthur's Landing?—There might be, by making a direct line, but by keeping a little to the south of a direct line there would not. Back of Prince Arthur's Landing there is a little rough land.

Q. How much would that deflection add to the length of the line?—It might add a quarter of a mile.

Q. What is the difference between a line from the McKellar farm to Prince Arthur's Landing, and the present located line from the terminus to Prince Arthur's Landing?—It would be perhaps two miles shorter, but I have not measured it.

Q. Have you ever been there in the winter?—Never.

Q. Then you could not give us any information with respect to the opening and closing of navigation?—I have been there, and left there in steamers when the river was closed up with ice.

Q. What date?—The latter end of October, or the beginning of November.

Q. You left Prince Arthur's Landing then?—Yes.

Q. Had the river been then long closed?—No, not long closed, but it was frozen. I have been there in spring when the whole bay was closed up.

Q. When were you last at Fort William?—I was last at Fort William in 1873, I think.

Q. Did you ever walk over the line between Murillo Station, and the present terminus?—I have never been on the line at all.

Q. Have you ever walked over the country from Murillo Station?—Yes; I was exploring all over that country.

Q. But you never walked in a direct line to the present station, or to that point on the river?—I have not the slightest idea of where Murillo Station is, except from the map. I have been on the ground though.

Q. And you tell us now you do not know where Murillo Station is?—Yes; it is in the township of Oliver.

Q. Do you know the particular point where it is located?—No; I do not.

Q. Then all your evidence is hypothetical—based on supposition?—No; it is practical.

Q. I wish to know whether you had walked over the country between Murillo Station and the present terminus?—I have.

Q. Have you ever walked over the country from Murillo Station in a line such as you have located on the map?—No; not in a "bee line." I never followed any particular line.

Q. You were intent on other things altogether. You were exploring not with a view to the location of a road?—I was exploring, but not with a view to a railway.

Q. Can you give me the frontage of the McKellar farm?—I do not know; I never measured it. I know what it is reported to be.

Q. What is it reported to be?—A quarter of a mile.

Q. Have you been back from the river on that farm two or three hundred feet from the front?—Yes.

Q. Have you been there in the spring of the year?—Not before the steamer ran, about the month of May.

Q. How does the McKellar farm lie to the water?—It slopes up from the river until it gets to a certain height and then it falls away into a swamp.

Q. How far back does the land that is comparatively above the level of the river go?—After you get some distance back from the river it then dips down to that small creek or river in the rear. It is low land, and that low land forms the valley almost the whole way up.

Q. Would that low land be available, without filling up, for building purposes? Could you sink a foundation for a building more than five feet?—I could not say.

Q. You have told us that the bank runs a short distance from the water, then it drops and is low at the back. I want to know whether the height of the land, say 300 yards back from the bank, would be about level with or above or below water level in the spring of the year?—It would be higher than the bank of the river.

Q. What is the height of the bank of the river?—I should say, from viewing it, it is probably 13, 14 or 15 feet.

Q. Is it so high as that?—Yes.

Q. Have you ever measured it?—I never measured it.

Q. Was your attention ever called to it?—No; but I have climbed it up many a time when landing there—I have walked up and down it.

Q. In running from the point now called Murillo Station to the McKellar farm are there any valleys, broad valleys?—Certainly there are. There is quite a large valley formed by those two rivers—quite a flat of land.

Q. Is that as favourable for the construction of a road as the line taken?—Quite so.

Q. Does it not require filling?—No; I do not know any place on it that will require filling.

Q. Is it susceptible of draining to the river.?—Both of those small rivers furnish drainage for the country.

Q. You speak of the breadth of the river, have you ever measured it?—Never.

Q. You are speaking entirely from memory?—From observation. I have had occasion to judge of distances and lengths, because it is part of my profession.

Q. But you have never scaled it?—No; I never measured it.

Q. What year were you there; late in the fall or early in the spring?—I used to go generally early in the spring, and not return until the last boat.

Q. What time used you to go in the spring?—The first boat in May.

Q. What particular years?—Every year from 1867; sometimes two or three times a year.

Q. You speak of one year in which the Kaministiquia was closed?—That was when I left there.

Q. What year was that?—That was in 1869, I think, or 1870.

Q. What month did you leave?—In November.

Q. What time of the month?—It was the last trip of the steamer.

Q. Had you occasion to test the ice at the river?—No; but I knew it was frozen though.

Q. Was it ice that could have been broke by a steamer?—I do not think so.

Q. Have you explored thoroughly and repeatedly the country between the points that are now known as Murillo Station, and the river at the McKellar farm?—Yes, I have explored it over and over again.

Q. There is a little creek near the Murillo Station?—Yes.

Q. So that seeing that creek and Murillo Station marked on the map, it gives you a good idea of where the station is?—I know the neighbourhood, but I could not indicate the spot exactly, because there was no station when I was there.

Q. Between the first river and the McKellar farm there is no serious obstacle?—No; and there is none more serious on a line going to the McKellar farm than on the line to the town plot, from Murillo Station.

Q. You say that the river is wider at the McKellar farm because the stream branches off there?—Yes.

Q. Have you any idea of what the size of the basin is?—I could not say what would be the width of it exactly, but there might be an area of from ten to fifteen acres in it.

Q. You consider that this straight run in the river would be more desirable for a railway terminus, and more convenient for docks, than a point higher up, say at the town plot?—I have always had that impression. I look upon that bend as rather an injury to the river, as decidedly injurious to it.

Q. Could long vessels turn with greater facility opposite the McKellar farm than at the town plot, where the terminus is?—Decidedly they could turn more easily; they could back into the mouth of the branch and turn.

Q. Do you mean that long vessels could turn with their own machinery?—Yes.

Q. Could they do that higher up?—No.

Q. How do they turn higher up?—I am informed that they warp; they warp them, that is, by snubbing the stern with the cable and swinging out with the stream. I have been on small tugs on the river myself when they had difficulty in getting out of it. Mr. Oliver's tug, for instance, and she was only a small vessel.

Q. Do you know what the size of the lock at Sault St. Marie is?—I do not.

Q. What is the length of it?—I do not know.

Q. Do you think that a vessel 300 feet long could turn at all at the terminus of the town plot?—Decidedly it could turn.

Q. Heavily laden?—I should not like to say that; I think it would be as much as they possibly could do to turn.

Q. Speaking of the McKellar farm, is there much of it cleared, or how far is it cleared back from the river?—I have not seen it since 1873.

Q. In 1873 how far was it cleared?—There was not very much cleared on it then. When I was there the McKellar farm was not known by that name.

Q. You never scaled it back to the first river?—No. Not knowing whether I was on the farm or not.

Q. Can you tell us how the land lies upon the first river; is it very low?—The first river for considerable distance up is on a level with the lake, or nearly so; it is quite stagnant.

Q. But the land on its banks?—The land on its banks is low.

Q. Have you any reason to believe that the McKellar farm; in fact the whole of it, is not fit for terminal purposes for the railway?—I could hardly say. The front part is perfectly well adapted for the terminus; but the rear is so far back from the river that I think it would be out of the way.

Q. But you think as far back from the river as would be likely to be required for railway purposes, is suitable for a terminus?—I think so.

Q. Did you ever own any lands in the Fort William town plot?—I did.

Q. When did you buy them?—In 1870.

Q. How many lots?—There were four of us bought lots as a sort of joint operation.

Q. Do you remember how much you gave for them?—We gave at the rate of eight dollars an acre. Some of the lots were half-acre lots, and some three-quarters of an acre.

Q. Do you own them still?—No.

Q. When did you sell them?—In 1872.

Q. To whom?—To Allister W. Clark, Barrister, Toronto.

Q. Does he own that now?—No.

- Q. Do you know to whom he sold them?—To Mr. Davidson.
- Q. Do you know how much he got for them?—I can only speak from hearsay from themselves, \$90 a lot.
- Q. When was that?—In 1874.
- Q. At what particular month?—The latter end of November.
- Q. Had you anything to do with the transfer or sale from Allister Clark to Davidson?—I assisted in advising Clark to come to Davidson's terms. There was some little time treating about them, and that is the only assistance I gave the man.
- Q. Was that sale prior to the sale of John Clark to Davidson?—It was about the same time. I cannot charge my memory as to the exact date that John Clark sold, but it was about the same time.
- Q. You knew of John Clark selling his land to Davidson?—Yes.
- Q. Did it excite any surprise in your mind that Oliver Davidson & Co. should be giving \$90, a lot for what you paid only \$4 or \$5?—I certainly thought it was a very large price.
- Q. Do you know how much they gave John Clark for his lots?—Merely by hearsay; I do not think they paid the same prices for all. I think they ranged from \$60 to \$100. I do not know the prices exactly that were paid.
- Q. How did you know that Davidson had bought John Clark's lots?—From Davidson and Clark, both.
- Q. Did you make any remark or enquiry of Davidson about those lands having this high value?—Of course; I certainly did, I was aware at the time that a good deal of talk had been going about the terminus of the railway. I never dreamed for a moment that the terminus would be located at the town plot at Fort William. I was always under the impression that it would be at Prince Arthur's Landing; therefore, I considered it was very absurd that he should give such a high price without knowing where the terminus should be.
- Q. When did this conversation with Mr. Davidson occur?—At the close of the sale in the end of November or the beginning of December, 1874.
- Q. Did he make any reply to you?—Yes; he said he was not such a fool as to buy land without knowing the value of it, and what he was going to do with it.
- Q. Did he give you any explanation of it?—He said it was going to be the terminus of the railway.
- Q. Did he say he thought it was going to be the terminus, or he knew it was going to be the terminus?—He said he knew it from the very best authority.
- Q. Did he tell you what that authority was?—He showed me a map—a tracing.
- Q. Of what?—A tracing of a map of the town plot, showing the amount of land required by the Government for the terminus of the railway.
- Q. Was it the plan of the whole town plot of Fort William?—No; a part of the town plot.
- Q. Was the plan exhibited to you a rough sketch that anyone might make, or was it a regular plan made by a professional draughtsman?—To my mind, it was a tracing from a finished surveyor's plan, such as I was in the habit of getting from the Crown Lands Department—a regular tracing from the plan.
- Q. And you say the lots required for the railway terminus were marked on that plan?—The block of land required for the railway terminus was marked on the plan, and colored a "lake" or pink color.
- Q. Did you ask Mr. Davidson where he got the plan?—Yes; of course I did. I thought it very curious that he should have it.
- Q. How did he explain that he came in possession of it?—He said he got it from the very best authority; that it was perfectly authentic.
- Q. Did he show it to you as being a thing that everybody could see, or was it confidential?—No; he said it was confidential.
- Q. Did he show it to anybody else?—He showed it to John Clark—at least Clark told me so. I cannot say of my own knowledge.
- Q. Did Clark tell you that the map had been shown to him prior to your speaking about it?—Yes.

Q. Was the plan that was shown to you like the Departmental plan fyled as exhibit "A"?—No; it was not.

Q. What was it like?—The pink shade showed exactly what was required for the terminus and was the same as is shown on the plan "A", showing what I understood to be the railway requirements. Lot No. 6 was not shown on it at all. It was only the railway reserve on the front of the town plot. I remember it distinctly, because I made a drawing from it on my own plan, showing where the reserve was.

Q. When did you do that; on the same day?—Yes.

Q. With Mr. Davidson's permission?—I do not know that I asked his permission; but he did not object to it. I had a plan of the town plot, and I merely marked the outlines with a pencil on it.

Q. Was the drawing of the reserve that you made on your plan, taken from Mr. Davidson's plan, or was it merely from your recollection of Mr. Davidson's plan?—Mine was a copy of the plan in the Department—not properly a map—a plan which I referred to whenever I had any business in that locality, and I copied the reservation from Mr. Davidson's plan into my own.

Q. Did you do it directly from Mr. Davidson's plan, or did you do it from your recollection of it?—From the plan.

Q. Then did Mr. Clark and yourself talk over the matter?—Yes; we talked over it several times.

Q. Did Mr. Clark tell you that Mr. Davidson had shown him such a plan as you describe?—Yes.

Q. Did you tell him first that Mr. Davidson had shown you the plan?—No; he told me first.

Q. What took place between Mr. Clark and you?—As far as I can remember, when Clark completed his sale to Davidson, he came over to my office, which is almost immediately opposite his in the same building, and told me that he had effected his sale, and had sold all to Davidson. He told me something of prices too, but I am not perfectly sure of what they were. I think it was somewhere between \$60 and \$100. I laughed, and said: "What could he possibly mean by giving such prices, Clark?" He said: "Davidson has information that we know nothing about." I said: "What sort of information has he got?" After some hesitation, he said: "He has got information as to the terminus being fixed there, and he showed me a map with the reserve marked on it." I said: "Did he show you that map?" "Yes," said he. I said: "He showed it to me, also, but I was not to tell any person." That was the conversation that took place. He asked me if Davidson had told me from whom he had got the map. I said: "No. He said: 'He has got it from good authority, because he has bought Allistor Clarke's lots too.'"

Q. Had you any other lands in that section of the country?—Yes.

Q. Where?—In different parts, I had some in the rear of the town plot in the second concession, and some to the west of it.

Q. Had you any at Prince Arthur's Landing?—Adjoining Prince Arthur's Landing I had, I was interested in the town plot there.

Q. What was the value of those lands prior to the terminus being located at the town plot of Fort William?—Nothing at all, they were valued at \$8 per acre, the price of Government land, without the railway they were literally valueless.

Q. Have you sold any lands since it was known that the terminus was to be there?—Yes.

Q. Where?—In the township of Neebing, close to the town plot I sold Mr. Davidson, I think it was four or five hundred acres in the rear of the town plot, for which he paid me four dollars an acre.

Q. At what date was that you sold to him?—It was after the terminus had been definitely fixed upon. I owned 150 acres within a mile of the town plot. Lots 11, 12, 13, in the township of Neebing.

Q. Have you sold that land?—Yes.

Q. How much did you get for it?—Four dollars an acre from Mr. Henry O'Brien. I offered them to Mr. Davidson before at four dollars an acre. He would

not give that, and he offered me \$2.50 per acre for it; that was after the terminus was located.

Q. How far from the town plot was that?—Within a mile of the town plot.

Q. Were those mineral lands?—No; they were not.

Q. Do you know where the Prince Arthur's Landing Railway is located?—I have never seen it.

Q. Did it pass through any of those lands?—It did.

Q. What price did you get from the Company for your lands?—I made them a present of the right of way. It was laid out as a town plot and bears the same relation to Prince Arthur's Landing that number six does to the town plot at Fort William.

Q. How much did you present them with?—As much as they required.

Q. Do you remember, was it as much as two acres?—I cannot remember.

Q. What width did they take out of this town plot?—Sixty-six feet along the front of one lot. It is a peculiarly shaped lot—a gore lot, with a large frontage. I suppose probably there might have been about thirty-five square chains—about four acres and a-half.

Q. Would there be any difficulty whatever in finding frontage for the railway at Prince Arthur's Landing?—I think not.

Q. Would there be any difficulty in getting station grounds on the ten acres where the Government has a reservation, or immediately below the town plot on the McVicar farm?—There would be no difficulty whatever.

Q. How far is that McVicar property at the Landing from the dock, do you suppose?—From the nearest point on the McVicar property I suppose between a quarter and a half a mile.

Q. Could land be obtained between the McVicar property, and the town plot sufficient in addition to the Government reserve for a terminus?—The Government have, in addition to the ten acres, the frontage all the way along the lake, reserved in the original survey.

Q. And you think there would be no difficulty whatever in obtaining sufficient space on the McVicar farm?—No; either at the McVicar farm or from other parties there.

Q. What is the value of land there?—I should fancy the value of property down there is \$80 or \$100 an acre.

Q. Did Mr. Davidson have any conversation with you, with respect to the value of lands at Fort William should the railway not come there?—Yes; he said they were of little or no value without the railway.

Q. So that it was the railway that gave value to the lands there?—Yes.

Q. Was it the railway that gave value to lot No. six Neebing?—Certainly.

Q. What would it have been worth without the railway?—About \$2.50 or \$3.00 an acre. I owned one further up there, which I sold for \$4 an acre, fronting on the river two or three lots beyond that.

Q. After the railway was located?—Yes.

Q. In negotiating the sale of those lands sold to Davidson, had you any conversation about the best place for the terminus?—It had been all settled then.

Q. What time was that?—It was in 1875 or '76.

Q. Was that the time he showed you the plan?—No; he showed me the plan in the fall of 1874 or the winter of 1875.

Q. Have you that plan in existence?—I have not got it; he kept it.

Q. Was his plan a copy of yours, or a copy from the Crown Lands Office?—I do not know where he got it. It was evidently a tracing from some other map, but from what particular map I could not tell.

Q. How did the scale correspond with your own map?—It was a different scale altogether. Mine was on a very small scale.

Q. His was on a larger scale than yours?—Yes, much larger.

Q. Can you give us any idea as to the time that this conversation took place? Do you recollect the sale in Toronto of a number of lots in the Spring of 1875?—Yes; I remember the sale of Blackwood's in March or April 1875.

Q. Had you any conversation just before that with Mr. Davidson?—I was continually having conversations with Mr. Davidson.

Q. Might it not have been at a much later date than December 1874, that you had this conversation about the plan?—The way I had that fixed in my mind was, it was the first I had heard definitely that Fort William was to be the terminus, and the fact of his having purchased those lots impressed this conversation on my mind.

Q. That was in 1874, sometime before the terminus was practically selected?—I do not know when the terminus was selected.

Q. You owned those lots of Clark's?—I owned part of them; there were four of us owned twelve lots.

Q. Before that did you ever try to sell them to Mr. Davidson yourself?—Very likely I did; long before then.

Q. Did you then express the belief that that was the place the terminus would be?—I do not know. I do not think I would have sold the lots had I known that the terminus was to be there.

Q. What time did you sell to Allister Clark?—We bought the lots on the 7th of April, 1870, and sold to Allister Clark in April, 1874. I think I mentioned before that it was in 1872, but it was in 1874.

Q. What did you get then?—I got for the lots then \$50 a lot. The survey was going on at the time.

Q. So that the lots practically had more value than farm lands?—Yes.

Q. If the terminus of the Pacific Railway had not been there, would those lots have been worth \$50 a lot?—No; they would not, except a person wanted one especially, to build a summer cottage there.

Q. So that in the fall of the year you had rather given up in despair that the terminus was going to be located there?—No; I sold in the spring.

Q. You have told us that unless for speculative purposes the land would not have been worth that much?—No; it was purely speculative at the time.

Q. Had you a conversation with Mr. Davidson in the spring of 1875, before that sale of Blackwood's?—We were constantly having conversations, at least he used to be in and out of our office nearly every day, and we frequently spoke of it.

Q. May you not be mistaken as to the date which he showed you this plan?—No. The sale brought it to my recollection, that is the sale of the lands to Mr. Davidson by Mr. Allister Clark.

Q. And the conversation took place in your office?—Yes; in our office.

Q. Was any one present when Mr. Davidson showed you this plan but yourself?—No. Except he and I. That was the first time he showed it to me. My partner has seen the map frequently.

Q. Who is your partner?—Mr. Shortis.

Q. That was subsequently that it was shown to him?—Yes.

Q. But at the time of the sale of those lands to Mr. Davidson was any one present when he showed it to you?—When Mr. Davidson showed me the plan he and I were alone.

Q. How long after that was it before the location of the terminus became publicly known and discussed?—I considered it became public at that time, because John Clark told me he had seen the map, the same afternoon, but later in the day.

Q. But John Clark was not present at the time of this conversation?—No. I am quite positive Mr. Davidson and myself were alone, and I took it as a very kindly act on his part to show me the map at all.

Q. Did he tell you whether he got it from the Crown Lands Office or not?—No; he told me he got it from the very best authority.

Q. Had the Crown Lands Department a plan of the Fort William town plot?—They have a plan of Fort William on record, by which they sell, but not with a railway reserve colored on it.

Q. It was not necessary that a professional man should have put on that color on the map which Mr. Davidson had?—No; it was a tracing of the town plot of Fort William, showing the reserve for railway purposes.

Q. You had a map, showing the town plot, hanging upon the wall of your office?—Yes.

Q. And upon that map you marked, in pencil, the reserve from the plan shown to you by Mr. Davidson?—Precisely.

Q. Did Mr. Clark tell you that he had learned that information from Mr. Davidson, or did you communicate it to him first?—He told me first, that Mr. Davidson had shown the plan to him in confidence. I was rather surprised when he told me that Mr. Davidson had a plan of it in his pocket. Said I, "did he show it to you;" he said, "Yes;" I said, "He has shown it to me also."

Q. Was Mr. Clark present during the conversations with Mr. Davidson about this matter?—He might have been present sometimes. Mr. Davidson used to come daily into our office. There was a good deal of excitement at the time about the terminus, and they used to come daily into our office to talk it over.

Q. Were you present when Mr. Davidson showed the plan to Mr. Clark?—No; I was not.

Q. How did he satisfy you that the land marked on the plan as being reserved, was really authentic?—He told me that he had it from the very best authority.

Q. Have you had it verified since: that the land he had marked on his map was actually the reserve that was afterwards taken?—Yes. They correspond exactly.

And further deponent saith not.

H. P. SAVIGNY.

OTTAWA, 28th March, 1878.

THOMAS MARKS called and sworn, was examined as follows:—

Q. Are you Reeve of the Municipality of Shuniah?—I am.

Q. Where do you reside?—At Prince Arthur's Landing.

Q. How long have you resided at Prince Arthur's Landing?—I have been permanently there since 1871, and had been there on several occasions before that.

Q. For what length of time before that?—Since 1869, I have been going there; established a trading post there in 1870.

Q. Do you know who was the builder of Hendricks' Hotel?—Hendricks was the builder.

Q. From whom did he purchase the lot?—I think it was from Cyrotte.

Q. At what time did he purchase it?—I think it was in 1875, in the winter, or in the fall of 1874.

Q. When did he commence to erect that hotel?—He commenced in 1875.

Q. About what time?—It was early in the spring of 1875, as near as I can judge. I am not very clear on the exact time.

Q. Did he know that the town plot had been selected for railway purposes?—Yes; he knew it then.

Q. Did he know it when he commenced to build?—I think so.

Q. What makes you think so?—Because he told me so.

Q. What did he say with reference to it?—He said he would run the risk, any-way.

Q. So that you have no hesitation in saying that he knew the terminus had been located there?—I have no hesitation in saying that he knew it. The plans, I think, had been fyled in February, 1875, in the Thunder Bay Registry Office. I was told so myself by the Registrar.

Q. And this was in the following summer?—No; it was in the spring of 1875. It was the spring after the plan had been fyled that Hendricks erected the building.

Q. Did you communicate the information that you had respecting the railway terminus to Hendricks?—I did.

Q. Do you know anything with reference to the close of navigation, as to whether it closes earlier at the Kaministiquia than at Thunder Bay?—It closes earlier at Kaministiquia.

Q. How much?—I should say from two to three weeks at least.

• Q. At what time did the river close, this last fall?—Of course last fall was an exception, the weather was very warm, the river closed the beginning of December or the latter end of November.

When did the bay close?—The bay did not close all winter, except a certain portion of it. It is quite open now.

Q. When the bay was open was the river frozen so that vessels could not go up to the town plot?—Yes, frequently. Every year since I have been there.

Q. What thickness of ice was on the river when the bay was open?—I should judge, when the last boat was at Prince Arthur's Landing last fall, the ice was six or eight inches thick on the river, and on some previous seasons I have seen it over a foot thick when the last boat left the Landing.

Q. Do you remember when the last boat was in?—I think it was the fourth of December we had the last boat, last fall.

Q. Do you know the Kaminstiquia river well?—Yes; quite well.

Q. You know the McKellar farm?—Yes.

Q. What would the height of the bank of the river be, on the McKellar farm?—The western part of it is high.

Q. Adjoining the town plot?—Adjoining the town plot, the eastern part is lower; it gradually slopes up from the edge of the river.

Q. Does the McVicar farm lie nearer the lake than the McKellar farm?—Yes.

Q. What are the banks there?—They gradually slope also.

Q. Is there much of the McKellar farm cleared?—Judging from memory, I should say there was about 50 acres.

Q. Not too wet for cultivation?—No; it is all cultivated I think, what has been cleared.

Q. Might more of the farm be cleared and cultivated as far as wet is concerned?—I think so.

Q. Do you know how many acres McKellar has in his farm?—About 175 acres.

Q. What is the width of the river opposite the McKellar farm?—I think it is about 250 feet wide, as near as I can judge.

Q. Do you know what the average depth of it is?—It is from 11 to about 18 feet.

Q. Have some of the largest vessels on the lake—for instance, the "Quebec" and "Duluth" and "Ontario," gone in there with full cargo this year?—I have known of the larger class of vessels having gone in there, but not with full cargo.

Q. What does the "City of Duluth" draw?—She is a light draught boat with a very flat bottom. I think she would draw about 12½ feet loaded.

Q. Do you know what she is in the keel?—I should judge she is nearly 230 feet over all.

Q. If she drew 12½ feet of water with a keel of 230 feet, could she turn around in the river?—Not without dredging, if she drew that depth of water.

Q. Could she turn under any circumstances in the river by means of her own machinery?—I suppose she might turn light by backing up to the bank and allowing the bow to swing around. She could not take the regular curve that boats usually take. She could back up, and, by sticking her stern against the banks, allow the bow to swing around with the stream.

Q. Is the river at the McKellar farm wider than it is further up?—Not much. There is just one or two spots where the river is wider than at the forks.

Q. Is there a bar at the mouth of the river before you get to deep water in the bay?—Yes; there is a very wide bar nearly three-quarters of a mile in length.

Q. How long have they been dredging there?—For three or four years. The Ontario Government dredged it first, and I am not certain whether that was in 1872 or 1873, but they laid out a considerable amount of money there; I fancy it was in 1873.

Q. And some dredging was done there last year and this year?—Dredging was done last year and the previous year.

Q. Had vessels any difficulty last summer in getting up the river through that bar?—Yes; there was a good deal of difficulty for vessels drawing much water; they stuck several times on the bar.

Q. Can you tell what draught they were drawing?—They were drawing from eight feet. I suppose, to 10½ feet.

Q. Did they stick upon shoals at eight feet?—I do not know that any stuck at eight feet. I think they were stuck drawing 9½ feet.

Q. Do you mean they stuck where it was dredged or at the side?—There are some places where it is dredged not so deep as others, and they stick on those places and the sides. They used to stick at night when they were drawing light draught.

Q. Are you aware that the "City of Duluth" went in last year, and the "Ontario" and the "Quebec"?—Yes.

Q. Did they go in with full cargo?—No; not over one-third of their load.

Q. Have you noted that the water was higher last summer than usual, from the frequent rains?—The water every spring is lower than during the summer. It seems to rise as the water warms.

Q. But during last summer have you remarked that the water was higher than usual, by frequent rains?—No; I do not think so.

Q. Do you know, as a matter of fact, that it was very wet at Prince Arthur's Landing during the early part of last summer?—Yes; it was a very wet season.

Q. Suppose for a moment that the Kaministiquia is the best terminus for the railway, at what point on the river would you say that the railway would be best served by having the terminus fixed?—Of course, that is a matter of opinion. I should judge the low land where a basin could be dredged, at the forks of the river or at the mouth, would be the better place.

Q. Where could a basin most easily be formed?—There is no part of it in which a large basin could be formed, as there is a mountain one side extending part of the way down and the land is too high on the other side. There could be a small basin dredged at the forks near the Mission, and of course the mouth of the river is lower; it is swampy as you get down to the mouth.

Q. Do you mean that it would be more advantageous to have the terminus on the straight run of the river, so as to allow vessels to run straight out to the lake—Is that what you mean?—I should judge it would be much easier to dredge a basin at the forks or the mouth, and it would be better for vessels to have a straight run to the lake.

Q. Do you consider this bend above the Mission a hindrance entrance to the terminus?—It would be difficult for vessels getting around it were they loaded.

Q. Would Prince Arthur's Landing make a better terminus than the Kaministiquia?—There is no question about that.

Q. What kind of harbour is there at Prince Arthur's Landing?—One of the best on Lake Superior. I have been there since 1869 or 1870, and since 1869 we have had over 1,500 arrivals of vessels reported at the custom-house, and during all that time there was not a single vessel left there, to my knowledge, for stress of weather. I have evidence here from captains to corroborate what I say.

Q. What is the opinion of the captains.

Honorable Mr. Scott objected to the opinions of the captains being taken as evidence unless they were present to speak for themselves.

WITNESS offered to produce declarations from the following captains, that Prince Arthur's Landing is the better point. Captain McDougall, Steamer "City of Duluth;" Captain Atkins, "United States Pilot;" Captain Kennedy, Steamer "City of Owen Sound;" Captain Anderson, Steamer "Quebec;" Captain Tute Robertson, Steamer "Frances Smith;" Captain John O'Malley, Schooner "Hurlburt," Captain John McKay, Steamer "Manistee;" Captain T. H. Frothoway, Steamer "Kate Marks,"

Q. Is the opinion you have formed of the harbour at Prince Arthur's Landing sustained by the captains of the vessels you have named?—It is almost unanimously. I have sailed myself for nine years on the lakes, and I should know something about harbours.

Q. You state that of 1,500 vessels that went into Prince Arthur's Landing not one of them had to run elsewhere for shelter; is that your evidence?—It is.

Q. Is there a wharf or pier at Prince Arthur's Landing?—There are two there, one belonging to the Government 600 feet long, and one built by our firm nearly the same length.

Q. And the vessels run along side and between the two?—Yes; there is room enough for four large steamers between the two piers.

Q. And they lie there and discharge cargo?—Yes.

Q. Is there a warehouse on the pier?—Yes; there is one on both piers.

Q. What height are the tops of those piers above the water?—About six feet on the outside. Our wharf averages from about six feet to five feet. The Government wharf is, I think, about 6½ feet outside just now, and it runs off as you approach the shore, to about three feet.

Q. And the warehouses stand upon those wharves?—Yes; one of them covers the full width of the Government dock for 150 feet in length.

Q. And goods are stored in that warehouse all the time during heavy storms?—Yes; they are stored all through the season of navigation.

Q. Were they ever damaged by storms?—I have never known them to be damaged in the least.

Q. So that goods are warehoused on that wharf, at a level of only three feet above the water, and the contents of those warehouses are never damaged by the sea?—The seas never reach them.

Q. Have you ever known a vessel that had to leave the dock in consequence of a storm, and run for it?—There never has been one to my knowledge since I have been there.

Q. Have any of the captains that you have named ever done so?—They stated to me distinctly that they never had to do it, and they also stated in the certificates which I hold in my hand, and it is about the highest authority we can get.

Q. Have sailing vessels any difficulty whatever to get into the bay?—None whatever.

Q. Nor up to the docks?—Sailing vessels can work in and out of the bay without towing; and alongside the docks.

Q. Can sailing vessels work up the Kaministiquia without assistance from tugs?—Not unless the wind is fair.

Q. Can they go out again without assistance?—Not unless the wind is fair or on their quarter.

Q. How does the water deepen from the shore outward, at Prince Arthur's Landing?—It deepens gradually; the present wharves run out nearly 600 feet.

Q. What is the depth at the end?—In winter it is about 13½ feet, in summer about 14½ feet.

Q. Is the anchorage good?—Yes; very good; clay bottom.

Q. Is the bay safe; I mean by that, is it free from rocks and shoals?—There is not a shoal in the whole bay that I am aware of, nor a sunken rock whose vessels would approach.

Q. What you have told us is your own knowledge, and it is confirmed by commanders of vessels?—Yes; in fact all the unprejudiced people who visit that part of the country have confirmed what I state.

And the further examination of this witness is continued until to-morrow.

On this 29th day of March, reappeared the said witness, and his examination was continued as follows:—

Q. Are you the President of the Prince Arthur's Landing Railway Company?—I am.

Q. Can you state what it cost you for the right-of-way from Prince Arthur's Landing to Fort William town plot?—I could not tell you exactly what it cost all the way. I can tell you what it cost up to the present time. We have not acquired the right-of-way through all of the land, some wild lots intervening between Prince Arthur's Landing and Fort William have not been settled for yet, but I can give you

the figures within two miles of the Landing. The other lands cost comparatively little as we approach Prince Arthur's Landing. Having located our line along the broken front, the cost was a mere trifle.

Q. Did it cost you much in passing through the farm lots intervening between Prince Arthur's Landing and Fort William?—We have only purchased one yet, and it cost us \$45 through the full length; that is the Wiggins lot.

Q. What length and width?—Sixty-six feet for the full length of the lot.

Q. How much an acre was it?—I think it was at the rate of \$16 an acre.

Q. Did you take the whole lot or did you pay at the rate of \$16 for what was included in the railway track?—Just for what we wanted for the right-of-way. I can give you the exact figure that we paid for the first two miles east from the Pacific Railway Reserve. We paid a lump of sum \$1,687, and got the whole of five town lots of about one-fifth of an acre each; the right-of-way through thirteen town lots containing nearly half an acre. I will read a memorandum from Mr. Roaf, Solicitor for the Company, in Toronto, which will explain it all:

“What we did acquire, for which \$1,687 was the lump sum paid, were five lots of one-fifth of an acre each; the right-of-way through thirteen town lots, of two-fifths of an acre each; the right-of-way through two park lots, each about 325 feet by 700 feet deep; also the right-of-way, 66 feet wide, through two large farm lots.”

Q. You got all this for how much?—For the lump sum of \$1,687. There has been three separate deeds of agreement made out for it, I believe.

Q. Were the purchases made from one party or one firm?—They were made from Oliver, Davidson & Co., and from Davidson and his wife. There were only three separate conveyances for the whole of this right-of-way.

Q. Three separate grantors?—Yes; this was done because Mr. Davidson was interested with some other parties in the land, and he wished to have three separate deeds made out in order that he could settle with the parties he was interested with.

Q. Tell us from whom the deeds were?—From Oliver, Davidson & Co., from Mr. Davidson and his wife; I do not know who the others are.

Q. Give us the three separate pieces of land?—One part of the land belonged to Oliver, Davidson & Co.

Q. How do you know that?—I am certain of it, because I negotiated with Mr. Oliver first for Oliver, Davidson & Co.'s lands.

Q. How much was paid for them?—Oliver asked Eighty dollars a lot for the whole of the first five lots which we passed through. Mr. Davidson was asking \$160 a lot, for two-fifths of an acre lots, and Oliver, Davidson & Co. were asking \$40 an acre for passing through the park lots—two park lots at the rear of the town plot—and \$18 an acre for passing through the two farm lots; all summed up together amounted to over \$2,000; but we agreed for a lump sum of \$1,687.

Q. Who were the other parties?—The others were Mr. Davidson and some of his friends.

Q. Who were the friends; was it his wife?—I think Mrs. Davidson was interested in some, and Mr. Leys was interested also. I am not certain about Mr. Leys. Then there were three separate deeds, and they were given at Mr. Davidson's suggestion, so that he could settle with those people with whom he was interested; but the lump sum for the two miles was \$1,687.

Q. Would it have made any difference to your company if the amounts in those deeds had varied from what they are at present as long as the lump sum did not exceed \$1,687?—It would have made no difference whatever. It was immaterial to us what the consideration was among the parties as long as we got the land for \$1,687. We knew no parties in the matter but Oliver, Davidson & Co., Mr. and Mrs. Davidson.

Q. Would you have been satisfied to have a deed from Oliver, Davidson & Co. for the three pieces of ground?—No; certainly not. They agreed to give us the right-of-way through this property for the sum mentioned.

Q. When you came to that final determination for the sum you were to give for this land, was the sum apportioned among those lots?—No; it was paid over in a lump sum by our solicitor.

Q. Was the particular consideration mentioned in the deed for each lot?—No think not. Mr. Roaf has the deeds in Toronto. He arranged the whole matter.

Q. Were you down here with a deputation to bring under the notice of the Government the superior advantages of Prince Arthur's Landing at any time?—Yes; I have been down on several occasions.

Q. There was a pamphlet distributed among the members of the House of Commons showing the advantages of Thunder Bay over Nepigon as a superior terminus?—Yes; that was some time ago.

Q. What time was it?—I think it was in the spring of 1874.

Q. Was it in 1875?—There were petitions sent down several times.

Q. Were there not delegates sent down?—I came down in the spring of 1875 to try and get the road extended to Prince Arthur's Landing, and several Members joined me here to see the Premier.

Q. And have the Landing established as the terminus?—Yes.

Q. Was it at that time the little blue book was issued?—No; it was before the terminus was fixed.

Q. Were there any pamphlets circulated calling attention to the advantages of Prince Arthur's Landing?—There was something issued, but it was asking for a reconsideration of the subject. We saw the Minister about it.

Q. Was that during the sitting of the House, in the spring of 1875, or after the House rose?—It was during the sitting of the House.

Q. They professed to set forth the superior advantages of Prince Arthur's Landing?—Certainly; that was the object; we sent many petitions.

Q. You put your best face forward?—Yes; we did.

Q. At that time, when you started on your mission, did you believe there was some hope of success?—I did.

Q. You did not believe that it was so irrevocably fixed, and if it could be shown that the Landing was a superior place, the change could be made?—Yes; we believed so. We asked the Government for rails to iron our road.

Q. You have large interests at Prince Edward's Landing also?—I have interests there, and interests at Fort William also.

Q. Are your interests comparatively equal in both places?—No.

Q. Have you always been a strong advocate of the Landing?—Yes; because I thought it a better point from the beginning.

And further, deponent saith not.

THOS. MARKS.

ADAM OLIVER, called and sworn, was examined as follows:—

Q. You are a member of the firm of Oliver, Davidson & Co. ?—Yes.

Q. Have you been the party that has been residing most of the time at Fort William where your interests were?—I have been the working partner. I have been around Lake Superior for the last six years—or five years, at all events, during the summer; I do not remain there during the winter.

Q. What was your first summer up there?—1872.

Q. Is that the year you commenced your investments?—Yes.

Q. Did your firm invest pretty largely there?—Yes; pretty largely.

Q. What amount have you invested there?—Between thirty and forty thousand acres of land.

Q. Have you investments at other points on Lake Superior?—Yes.

Q. Where?—We have some at Nepigon.

Q. Where?—At the expected harbour.

Q. When did you make your investments there?—It was more recently.

Q. Did you make any other investments?—We built a saw mill and planing mill, sash and door factory on the Island at the mouth of the Kaministiquia.

Q. How many lots did your firm own in the town plot?—In the town plot, I think we bought about 42 lots.

Q. How many of those lots were taken by the Government for the railway?—I am not sure; but the most of them have been taken. I would say about 28 or 30 lots were taken for the railway terminus.

Q. Had you sold any anterior to that?—Yes.

Q. When?—I cannot positively give you the date, from the fact that my partner sold most of them.

Q. Which of them?—Mr. Davidson and Mr. Brown. I sold one or two of them myself.

Q. What did you sell before 1875 to other people than the Government?—A small portion, possibly eight or ten lots.

Q. What number of lots have you left in the town plot?—Two or three; am speaking from memory altogether.

Q. Can you give the names of the parties who purchased from you, anterior to the transfer of the property to the Government in 1875?—I think I can give you the names from memory—Mr. Duckworth, of Toronto, Mr. O'Connor—those are all the names I can remember just at the moment.

Q. Could you give the dates?—I think it was in 1875 most of those sales took place.

Q. What part of 1875?—During the summer I was in there.

Q. Who made those sales?—Mr. Davidson. I sold one to Mr. Hazelwood, that is the only one I remember of selling, and that was in 1875, he was the engineer that was up there.

Q. Is that in the reserve or in the town plot?—In the town plot.

Q. Is it in the railway reserve now?—Yes; it is lot 19, on the front street.

Q. Do you remember the date of that sale to Mr. Hazelwood?—I think it was August, 1875.

Q. You sold that yourself?—Yes.

Q. How much did he give you for it?—\$275.

Q. Can you tell me the amount your firm invested at Nepigon?—I think it was \$900 in round numbers.

Q. What was the attraction there?—We thought it possibly might be near the railway if it was built there—it was mining lots.

Q. How near the river?—It was on the river near what was supposed might be immediately near the terminus.

Q. When were you aware that surveys were first made with a view to the selection of the land on the Kaministiquia?—I was aware at the time Mr. Murdock made the survey, I think in the winter of 1872-73.

Q. Was that the first time he made the survey?—Yes.

Q. That was before the change of Government?—Yes.

Q. Where was that survey?—It was just where the railroad is built now; Mr. Murdock made that survey, and surveyed it through; and in the fall 1873, just at the time the late Government fell, I met him the second time; he was going up to re-survey it; he took the levels.

Q. Where?—At this very point where it is built now.

Q. Did it follow the valley of the Kaministiquia?—It is the valley of Kaministiquia I am speaking of. I do not know of any other point being surveyed from Thunder Bay, except this very point where it is built now; the starting place was always the same.

Q. Speaking of the valley of the Kaministiquia, what part of the valley do you refer to?—I mean where the railroad is built now.

Q. Are you aware of the fact that the railroad follows the valley of the Kaministiquia up for many miles after it leaves the town plot?—I am aware of that, because I went there many times on foot after the line was run by Mr. Murdock.

Q. Did the survey in 1872 and 1873 that you spoke of indicate the location of the terminus at the very point that was afterwards chosen?—The very point.

Q. Was it after that you bought lots at the Nepigon?—Yes; after that we bought lots at the Nepigon; I think it was in 1875 or 1876 we bought them.

Q. It could not be so late as that?—I will not speak to a year.

Q. At all events, you bought there a couple of years after at least, believing that there was a probability of the railway going to Nopigon?—Yes.

Q. You went up, you tell us, in the season of 1872?—Yes.

Q. Was Mr. Murdock the engineer employed in locating the line in that year, or was it in 1873?—It was the latter end of that year he was employed.

Q. How long after that did you purchase at the Nopigon?—I could not say distinctly as to the time we purchased at Nopigon. Mr. Davidson was the purchaser of the Nopigon property, but I cannot state distinctly as to the date. It was not prior to 1874, at all events.

Q. Did you invest anything in Manitoba on railroad account?—Yes; we invested.

Q. Where was that investment made, on the present line or South of Lake Manitoba?—It was south of the lake, near head of Long Lake.

Q. What amount did you invest south of Lake Manitoba, in the view of the road going there?—We invested in part of two sections, not quite two sections, and paying a dollar an acre, I think, for the property.

Q. You were a member of the firm that built the Neebing Hotel?—I was one of the Company.

Q. Who was your builder?—There was a man named Henderson built the hotel.

Q. Was he a member of the firm?—He was.

Q. Was the building constructed under his management?—Yes, altogether.

Q. Did any other members of the firm interfere at all?—Not that I know of. The arrangement was made between myself, as President of the hotel, and Mr. Henderson, when he commenced to build. I never saw him until he commenced to build.

Q. Was that arrangement in writing?—Yes, it was, but it was an understanding between myself and Mr. Henderson. The arrangement was not to be made in writing until afterwards.

Q. There was an original memorandum signed, was there not?—Yes.

Q. Have you got that memorandum?—Yes; I have. It is merely a memorandum between Mr. Henderson and myself.

Q. Is it witnessed and signed?—Yes.

Q. Did Mr. Henderson go on with the building?—Yes.

Q. Was the lumber, shingles, and laths supplied by your firm?—Yes.

Q. Have you seen the accounts that were sent in to the Government, in this case?—I saw them yesterday.

Q. Have you gone over the accounts?—Yes, I went over the accounts yesterday. I saw some little discrepancy in that.

Q. In the first place, I will ask this general question about those accounts: are the prices in that account, for the articles furnished, prices that were charged to all other people up there?—Yes; just the same. Mr. Henderson looked after that. He bought the things himself, because he had to pay 10 per cent. on the capital invested in the hotel.

Q. Can you speak of your own knowledge of the articles that are purported to be delivered there at the hotel and charged in that account?—Not all of them; I was there during the time back and forth. Mr. Flanagan, our book-keeper, was to charge and keep account of all those things, and I supposed he did so; many of them I went with myself and delivered.

Q. Explain what you mean by the discrepancy you spoke of?—They are in the hardware account.

Q. Take the first account, the Neebing Hotel Co., and Olliver, Davidson and Co. Look through that account, and tell me if you can speak, from your personal knowledge, as to the items generally?—I have looked over it in the ledger often; but I do not know whether I saw it since it has been made out or not until yesterday. The only difference I see here is that my attention was called to yesterday. A charge twice for the two lots.

Q. With reference to the account, have you any reason to doubt the correctness of the entries in it?—I have not.

Q. Have you any doubt in your mind that the goods were actually delivered?—I have no doubt that the whole of the goods charged in that account were delivered at the dock to Henderson. I have not any doubt at all about it.

Q. Who usually got them?—Mr. Henderson got them.

Q. Did he send an order?—He sent down word to the mill that such lumber was required, and they sent it up.

Q. But there are other things charged there as well as lumber. I see 80 pounds of nails charged in your account?—Our agreement was not to furnish hardware, but he got that amount from us to start them.

Q. The question I put to you was, whether you had any reason to doubt that this account is correct?—I believe that every item in that account was delivered. Only I see a mistake in charging for those lots.

Q. To whom were the goods ordered to be delivered?—They were delivered by our boat crew.

Q. Anything like nails, hardware, light articles; who were they to be delivered to?—They would be delivered by our boat crew.

Q. Were there any written orders sent up by Mr. Henderson?—No; a verbal order simply. There may have been written orders.

Q. But you do not know it as a fact?—No.

Q. Who attended to the filling up of the orders—was it Mr. Flanagan?—It was only lumber they got from the mill, and Mr. Flanagan attended to the filling of the order for lumber. His orders were to measure it up, and charge every stick of lumber, but to charge no more. It was Flanagan who was there the whole time.

Q. Was there an agreement between Mr. Henderson and your firm as to the price of this lumber?—Only a verbal agreement.

Q. What was the verbal agreement?—I told Mr. Henderson what we were selling lumber for there at the time, and it was to be given for that amount; that is all he asked me for, and there was no written agreement beyond this memorandum I have shown the Committee.

Q. Did you charge a fair trade price?—Yes; not more.

Q. How does it come that you made an arrangement with Mr. Henderson when it was to be charged to the Company?—It is charged to the Neebing Hotel.

Q. But you say you made a special arrangement with Mr. Henderson?—Yes; because Mr. Henderson was the man who made the arrangement for the building of the Hotel, and he had an interest in building it cheaply.

Q. Do you know anything about the accounts of MacNab & Marsh, of Toronto, for hardware?—No; I do not know anything about them; they were not got through me at all; the stockholders and directors in Toronto made arrangements for the hardware.

Q. What stockholders?—Mr. Vicar, Davidson and ———; I cannot name them all, but there is about ten of them.

Q. You have heard of the error in making up the accounts; in charging twice for the land?—Yes; I did not see it until yesterday, but I see it is a fact.

Q. You heard of it?—Yes.

Q. When did you first know of it?—The last week, I think, by reading of it in the papers.

Q. Is that the first you ever heard of it?—Yes.

Q. But the first time you were conscious of it?—Yes.

Q. I would like you to explain how that item got into the accounts? I understand from you that Mr. Flanagan was responsible, and charged all the things that were sent up?—I was speaking as to the lumber when I said that.

Q. What I want to get at is the responsibility of Mr. Flanagan, for making entries in the ledger; and I understand from you it was his duty to see that the entries should be made right?—I know nothing about it, only what I got from Mr. Brown's statement; he was up at our office at the time the account was made out.

Q. Who directed Mr. Flanagan to make that entry for the lots; or did he make it on his own responsibility?—I do not know, unless it was Mr. Brown. Mr. Brown said he did it, and I presume he did.

Q. Are the books kept by double entry?—No.

Q. Do you know Mr. Flanagan's handwriting?—Yes.

Q. Is the account of Oliver Davidson & Co. in his handwriting?—Yes.

Q. Do you know Mr. Brown's handwriting?—Yes.

Q. Is the general account in his handwriting?—It is; I simply spoke from my opinion when I said Mr. Brown explained that, and that he was in the office when the account was made up.

Q. Are you the President of the Neobing Hotel Co.?—Yes.

Q. Did Mr. Flanagan act under your instructions in putting those two lots into your account?—No.

Q. Then Mr. Flanagan did things quite independent of you as President of the Company?—I said Mr. Brown was around the office at Fort William for quite a time, and he was in the office at the time the account was made up; he had more to do with it than I had. I say the entry is in Mr. Flanagan's handwriting in one place, and in another place it is in Mr. Brown's handwriting.

Q. You say Mr. Brown was with Mr. Flanagan when those accounts were gone over.—Yes.

Q. Was Mr. Flanagan and Mr. Brown together when this item for two lots was put in?—I was not present.

Q. But was Mr. Brown present?—I could not tell you.

Q. Who told Mr. Flanagan the price of the lots?—I could not tell you. I presume he must have known it, as he must have been in the office when the agreement was made with Mr. Henderson and myself.

Q. Had Mr. Flanagan access to that agreement with Mr. Henderson?—Yes; there was a copy of it in the office all the time. This copy I have by accident. I had it in my office at Ingersoll.

Q. Who was in charge of the building at the time it was being constructed?—Mr. Henderson.

Q. Who was in charge of it at the time it was transferred to the Government?—Mr. Henderson.

Q. At what time was it transferred to the Government?—We got notice of it being required in the month of February. I was not in the district at all. The first notice I had, was a letter from Mr. Flanagan, that he had got notice from the engineer that the property would be required by the Government; that was in February 1876.

Q. Who was the engineer that notified Mr. Flanagan?—Mr. Hazelwood. That I only know by hearsay.

Q. Have you Mr. Flanagan's letter apprising you that the hotel would be required?—I have it at home.

Q. Was Mr. Henderson living in the building at this time?—Yes.

Q. How long did he continue to live in it?—He was living in it in June. He was living there when I went up in 1876.

Q. Was Mr. Henderson living in it at the time you were informed that the Government required it?—Yes.

Q. That would be in February, 1876?—He was living in it then—so I understood. He was keeping a hotel and had a New Year's party in it the beginning 1876.

Q. Are you aware that there is a discrepancy in the hardware account?—I am but I cannot speak exactly as to where it is. The accounts were made out in Toronto.

Q. Who, in Toronto, would know anything about it?—MacNab and Marsh; they were stockholders in the Company.

Q. Was it the firm or John MacNab?—I believe it was MacNab and Marsh who were the stockholders.

Q. Were the hardware accounts sent up to you made out in the name of the Hotel Company?—Yes.

Q. Were they sent to Henderson or direct to your firm?—They were sent first to Mr. Davidson and then they were forwarded to Mr. Henderson.

Q. And you cannot explain the discrepancy?—No.

Q. Do you know whether the articles charged in the hardware account went into the building or not?—I fancy they did; but I know nothing particular about it.

Q. Were you in the habit of going into the building?—Yes; while it was being constructed; but I have not been in the building since the Government took it from us. I remember seeing hardware coming up in the vessel once—a score or so of kegs of nails. I know they were unloaded at the hotel and the freight was paid by Mr. Henderson.

Q. Can you tell us how late you were in the hotel before it was taken over by the Government?—October, 1875, I think.

Q. What time did you come down to Toronto in the fall of 1875?—On the first of November.

Q. Had it then been transferred to the Government?—Let me understand first what you mean by “transferred”?

Q. What I want to get at is this: I want to ascertain from you whether you can tell the Committee the condition of the building at the time the Company ceased to go on with its construction?—I cannot speak as to the interior of the building, because I only saw it from the outside since; but Henderson was living in it the fall before I went away, and there were two or three rooms plastered.

Q. Did you go through the building before you went away?—Yes.

Q. Can you tell us whether there was any paint in the building in kegs, or whether the priming was done in any of the rooms?—There was a good deal of priming done and the windows were painted. The windows were in the house and not all in the frames. Some of the windows were in and painted and primed and finished in two-thirds of the house, but not more.

Q. Had the windows been supplied at that time?—Yes.

Q. Where were they?—They were there in the building.

Q. Can you give me any idea of the windows, doors, sash and material that were not put in place?—A large portion of them were in the building, and a large portion were standing there ready to be fitted in when they were needed.

Q. Do you know what became of those afterwards?—I do not know. I have heard a good deal said about people living there, robbing the place. I saw some of those windows that I knew to have been windows supplied to the hotel, placed in a shanty on the dock, and one of the doors.

Q. Whose shanty was it?—Purcell & Ryan's shanty.

Q. Contractors?—Yes.

Q. Was that a Government office or a contractor's office?—I do not know which. I rather think it is a contractor's office, on the Government dock.

Q. Did your firm ever get any of the articles back that were furnished in that account?—No; not that I know of. Mr. Henderson told me this morning that while he was building the engineer's house—he had a sub-contract on it from me—he used three bundles of the shingles, and part of a keg of the nails, and some little white lead in it. I did not know that until he told me this morning.

Q. Who had the contract for the engineer's house?—We had it, Oliver Davidson & Co., and we sub-let some of the work to Mr. Henderson.

Q. Were you up there at the time the engineer's house was being built?—Yes.

Q. Were you aware that any of the materials which had been taken up for the Neebing Hotel, were used in the engineer's house?—Only what Mr. Henderson told me this morning. I was not aware of it before this morning.

Q. How were you informed first that the hotel building was to be discontinued, and the Government required it; did you get any official notice?—I did not hear of any official notice.

- Q. When did you first become aware that the building would be absolutely required?—In February, 1876.
- Q. How was the roof of this building covered?—A shingled roof; part of it was not shingled.
- Q. How much of it was shingled?—The whole of one wing, and part of the front. The part that Mr. Henderson was living in was shingled, and a driving shed.
- Q. Do you know whether there were any more shingles charged than were put on the building?—No; I do not think there were, because Mr. Henderson said he would shingle out the other part of the building if he could get up shingles. That was in the fall of the year.
- Q. Can you state who the stockholders were in this Company?—I cannot state them all from memory.
- Q. What was the amount of stock subscribed?—About seven thousand dollars.
- Q. How much was paid in on that subscribed stock?—I did not keep that account. Mr. Davidson collected that stock.
- Q. What position did Mr. Davidson occupy in the Company; was he secretary or treasurer?—No; he was one of the stockholders.
- Q. Is he a director?—I think not.
- Q. And you cannot say how much of the stock was paid in?—No; I cannot.
- Q. Can you say that any had been paid in?—Yes; I can say that some of them paid in; but I cannot tell what amount.
- Q. Did you pay anything?—I only furnished this lumber.
- Q. Did you pay any cash?—No.
- Q. Did Mr. Davidson pay in any cash?—I do not think he did.
- Q. Did Mr. Brown pay in any cash?—I do not think he did; but Mr. Mackintosh, in Toronto, paid in some.
- Q. How much?—Fifty dollars.
- Q. Who kept the accounts of this Company?—I could not tell you.
- Q. You were President of this Company?—Yes, but there was not much account keeping about it.
- Q. Who was the Vice-President?—Mr. Henderson.
- Q. Did he keep the accounts?—He kept his own account, I presume.
- Q. I see in the account you have sent in here, with regard to lumber, that there is an item of one hundred dollars for interest. Can you explain how that account came in?—It is the interest on the book account.
- Q. What book account?—That book account.
- Q. For lumber?—Yes.
- Q. And there is \$500 charged for damages?—Yes, that was used in paying up some little bills that were overlooked.
- Q. What little bills were they?—I cannot name them, but there were some little bills that were sent in for steamboating.
- Q. What was the account?—I cannot tell you now.
- Q. Steamboating account for the hotel?—Yes.
- Q. For freight?—Yes.
- Q. But you told us Mr. Henderson had to pay all the freight. What was the steamboating for?—I think it was an account for removing something from the Landing to the river.
- Q. What was it?—I cannot tell you now.
- Q. In looking over the accounts, did you see that Mr. Henderson paid the freight on the 25 kegs of nails, from the Landing to Fort William?—Yes.
- Q. And is this charge in addition to that?—Yes, it was an account that came in afterwards.
- Q. Was it on hardware?—I cannot tell you.
- Q. But there was only hardware and lumber. And the hardware came from Toronto?—There was some stone also which came from the Welcome Islands, by steamboat. I remember paying a bill to one of the tugs there for drawing something over for the Fort William Hotel.

Q. What did it amount to?—Fifteen dollars was the amount of the one I have referred to now.

Q. Can you explain where the balance of the \$500 went to?—I cannot. I kept no correct accounts.

Q. Then this \$500 that was paid twice for those two lots, where did that go?—It went to the credit of Oliver, Davidson & Co. It was received by some party in Toronto and deposited to the credit of Oliver, Davidson & Co., because they were supposed to assume all the liabilities of the hotel and pay the stockholders,—which we did. I afterwards paid off the stockholders.

Q. Who kept the accounts of the firm in Toronto?—I have told you two or three times it was Mr. Flanagan.

Q. I mean the Neebing Hotel Company?—It is not in existence now.

Q. But it was in existence when this \$500 was paid?—Yes; any stock that was paid, was mostly paid to Mr. Davidson, in Toronto, and he used it for the purpose of paying for this hardware.

Q. But the hardware is charged to the Government?—Yes; but the Company want back the money that they paid for it.

Q. But the Company had themselves recouped for this expenditure?—Certainly they had, and they paid it back to the people who advanced the money that paid for the hardware. Joe Davidson paid for the hardware. Then the individual shareholders came and got back their money from me.

Q. Yes; but what Mr. Davidson had advanced for this hardware when the Government settled with the Company, he got back?—He does not get it back. The individual members of the Company had to be recouped for the stock that had paid for the hardware that went to Mr. Henderson.

Q. But what became of the \$500?—That was at the credit of Oliver, Davidson & Co., after they had paid back to the shareholders what they had advanced on their stock. The balance went to Oliver, Davidson & Co.

Q. Why should it have gone to them?—Because I was President of the Hotel Company, and the cheques received from the Government were all received in Toronto, and were all placed to the credit of Oliver, Davidson & Co.

Q. What we are to understand is this: When the stockholders got back the amount of stock which they had paid in to the Company, the balance was kept by your firm?—Yes.

Q. Hence you kept the balance \$500, and the interest \$100, and you had the \$500 charged for those two town lots paid twice?—We have not got that now.

Q. But you got it then. In getting this \$500 twice for the town lots and the \$500 for damages, did you never discover that your firm had more money than belonged to them?—No; I did not. The bank book was made up at the end of every month, and I never scrutinized it to see that we had \$500 too much.

Q. Who does the financing for the firm?—I do the financing. We are handling very large accounts, and hence a sum like that might be very easily overlooked in our account.

Q. And you would not discover a discrepancy of \$500 in your account. Did you not check over your bank account?—Yes; but when the bank book came up and I just looked at it, saw so much charged for the Neebing Hotel, I took it for granted.—I had not the papers before me, and I took it as being all right.

Q. Was not the amount stated in the accounts sent in to the Government entered in your books as against the Neebing Hotel Company?—No; this hardware account and Mr. Henderson's account were not.

Q. When you rendered that account to the Government, or before it, did that appear in your books to the debit of the Neebing Hotel Company or to the Government?—Part of it appeared in our books, and part of it did not. The hardware and the lime, and Mr. Henderson's accounts, did not appear in our accounts.

Q. Did you not enter in your books the account you rendered to the Government?—Only part of it.

Q. You repaid the Neebing Hotel Company, did you not?—Yes.

Q. And you, as representing them, rendered this account to the Government?—  
Yes.

Q. Did you not enter that account in any book?—No, the Neebing Hotel Company had come to a conclusion and there were no books opened.

Q. Do I understand you to say that the supplies, over the cost of the hotel, that you received from the Government, you did not distribute among your co-shareholders, but kept it for Oliver Davidson & Co.?—No, I used some of the money in paying small items that were not brought in before rendering the account to the Government. I think I have no right to be questioned on that by anybody until I am called to account by the stockholders.

Q. Who received the cheques for the Hotel Company from the Government?—  
Mr. Davidson, I think, received it.

Q. Do you know the date at which that was received?—No; I do not.

Q. What was the amount of the cheque?—Five thousand and twenty-nine dollars.

Q. How did you distribute it?—By paying bills I have mentioned, and I had \$500 left which does not appear here.

Q. What did you do with that?—I have got some of it.

Q. You did not distribute that among the shareholders?—I did not even pay interest, I simply gave them back their money.

Q. But you charged interest on the account?—The stockholders did not lie out of their money very long and they did not push for interest, or possibly I would have said "Here, I have two hundred dollars and I will make up interest for you."

Q. Do you mean to say that the stockholders never asked for interest on their money?—No; not to my knowledge; they seemed to be glad to get back their money.

Q. Do you know who it was that issued the cheque for this payment; was it Mr. Brown?—I do not know. I suppose it was Mr. Brown. That is only a supposition.

Q. Were you ever asked to verify the quantity of material that is included in this bill of your firm—that is, to give any proof to the valuers of its correctness?—I think I was told by the valuers that it needed some little verification, and I think it was at their instigation that I gave the affidavit that is there.

Q. But the affidavit does not touch that account. It never refers to the material. There is no certificate whatever as to the quantity of material. It has not been verified by the clerk nor by yourself. Were you ever asked by the valuers to furnish any proof?—I could not say.

Q. I understood you to say that you believed all that is contained in this account is correct?—Yes; the Oliver, Davidson & Co. account.

Q. How many doors did you furnish in this account?—I could not tell you. We bought those doors and turned them over to the Neebing Hotel Company.

Q. How many did you buy?—I could not tell you.

Q. How many did you turn over to the Neebing Hotel Company?—I see forty-four doors in the account.

Q. Did you deliver to Mr. Henderson forty-four doors?—Yes; and I paid for the forty-four doors.

Q. Was any of the material that was delivered for the erection of that hotel used in any other building there with your knowledge?—Not with my knowledge; only what Mr. Henderson, as I have said to you before, explained to me this morning, some paint, nails, and three bundles of shingles.

Q. Are you aware that any of the paint that was charged in your bill was afterwards used in the engineer's house?—Mr. Henderson told me this morning that he went over there and took some paint, nails and shingles for the engineer's house.

Q. Had Mr. Henderson the contract for the painting of the engineer's house?—  
Mr. Henderson had the contract for the priming the sash and glazing the windows, and I presume that was what he wanted the paint for.

Q. How many kegs of nails were got for the Hotel?—I could not say.

Q. Who did the painting in the engineer's house?—I hired three or four different men by the day.

Q. Is it customary when you have a painter to do the painting that the joiner should do the priming for the windows?—If the contract for painting is let it is the painter's business, but if the contract is not let it is the joiner's business as much as the painter's.

Q. Did you not agree with the Government to do the painting?—I agreed with Mr. Hazlewood to do the painting, and I let a portion of it—the priming of the sash and the glazing—to Mr. Henderson.

Q. Have you a copy of that contract?—I have not.

Q. Was any of the lumber that was brought to the Neebing Hotel used by your instructions for the other building?—No, not by my instructions.

Q. What quantity of lumber did you deliver at the Neebing Hotel?—You have the bill before you; and I have sworn that that bill is correct as far as my knowledge goes.

Q. You say that all the lumber that went there was sent there on Mr. Henderson's verbal or written orders?—Yes.

Q. Have you a copy of the orders?—No, I have not; but I think Mr. Henderson certifies to this account somewhere, and if it is not here it is in some of our accounts at home.

Q. Did you look at the hardware account and discover any discrepancy?—I looked at it yesterday, but I never discovered it before.

Q. How much is the discrepancy?—I see there is some \$80 of a discrepancy.

Q. That is eighty dollars more was charged by the Company to the Government than was actually paid to McNab & Marsh?—The way I account for that is there was one delivery of hardware by McNab & Marsh for which a bill is not here.

Q. When did you get the amounts to make up this account?—I could not tell you.

Q. But it appears you have charged the Government \$291 for hardware, and the accounts for hardware only amount to \$210, as shown by your books?—As I explained before, this account is not in our book, and the Neebing Hotel Company had no books.

Q. And never kept any account at all?—No.

Q. You sold a lot to Mr. Hazlewood, and the date of the sale was the 23rd of August, 1875?—I did not say it was the 23rd of August; I said it was sometime in August, I presumed.

Q. At what time did you become aware, officially, that those lands would be required by the Government?—In February, 1876; I have already told you.

Q. Did you not know by the newspapers, or by anything in that way what report said?—Reports said almost everything. The first impression was not from newspaper report, but from Mr. Murdock.

Q. I am asking you when, by public report, it was understood that the terminus was going to be there?—Mr. Murdock was the first one that ever mentioned to me that the terminus was going to be there; that was in 1873.

Q. I ask you when you became aware by public rumor, through the public press and from your colleagues, members of the same firm, that that place was selected?—I read so much in the press of all conceivable things, statements, contradictions and recontraditions, that I did not make up my mind from the press at all.

Q. Did Mr. Brown inform you that the town plot had been selected as the terminus?—Not before I got the notice in February, 1876.

Q. And yet Mr. Brown swears he saw it in the papers in 1874-5, and it was rumored that the terminus was going to be there?—I can quite understand that.

Q. The price of that lot you sold to Mr. Hazlewood was \$275?—Yes.

Q. Did Mr. Hazlewood inform you at that time that that place was included in the reservation?—No.

Q. How much is the consideration mentioned in the deed?—Two hundred and seventy-five dollars.

Q. Is that the amount of cash paid?—Yes; I did not make the deed; the title was in Joe Davidson.

- Q. And the money was paid to him?—No, it was paid to me.
- Q. Was there any restriction?—No, I think he paid me the cash. He made two different payments of it. I think he paid me nearly all cash down. That is the only lot in the town plot that I ever sold.
- Q. Can you inform the Committee how many windows were placed in the frames in the hotel when you sold it?—I cannot say.
- Q. How many doors?—I cannot say that either.
- Q. Were you a member of the Ontario Legislature?—I was.
- Q. When did you resign?—In 1874 I think it was. I am not sure, I went in in 1867 and was there eight years.
- Q. Were you induced to retire to make way for a member of the Ontario Government?—I was not induced; I was never requested to make way, never received any promise of reward and never had any, directly or indirectly.
- Q. But you did make way for a member of the Local Government?—I vacated my seat, and a member of the Government got elected. I was not there during his election.
- Q. It was not at the time of the general election?—No; in the first place I was unseated for bribery and corruption, as you call it, and then I would not run again or have anything to do with it.

And further, deponent saith not.

ADAM OLIVER.

OTTAWA, 24th March.

ARCHIBALD McMAUGH called and sworn was examined as follows:—

- Q. What is your occupation?—Captain of a Propeller.
- Q. What Propeller?—The Propeller "Ocean."
- Q. Where have you been sailing of late years?—Last year we were sailing to Chicago and all over the lakes, and the year before last we traded up to Fort William, Duluth and Prince Arthur's Landing. We made four trips on Lake Superior the year before.
- Q. Have you navigated to Prince Arthur's Landing and Fort William frequently?—I have been there about five times.
- Q. To each point?—I have been to the Landing once or twice, and I have been in to the river to Fort William every time I went to the Landing. I traded to Fort William principally, and went up there with steel rails for the Government.
- Q. What was the draught of water of your vessel?—We drew ten feet and a-half on every occasion, probably, except one. The first trip we went up there we did not draw probably so much water.
- Q. Did you enter the Kaministiquia?—Yes.
- Q. How high up?—We went up as far as the railway dock; and on one occasion we went up farther than that, after discharging cargo, to take in wood.
- Q. How much farther?—Probably a quarter of a mile; I do not know exactly the distance.
- Q. Had you any difficulty in entering the river or leaving?—The water was not extra deep, but we had no difficulty. We never got aground going in there.
- Q. What is the length of your boat?—About from 136 to 140 feet. I do not know exactly her length, but it is the full length of the Wolland Canal.
- Q. Have you been at the Landing also?—Yes.
- Q. How many times?—I think on a couple of occasions.
- Q. What is your conclusion as to the relative advantages of the two points as a harbor?—The conclusion I would come to, as the thing is at present, one is a harbor and the other is not.
- Q. Which is the harbor?—The river is the harbor.
- Q. Have you had any experience of the gales on the lake and in the harbor in the Kaministiquia?—I have never had any bad weather up there, but I certainly

would have some knowledge of how weather would affect either place; but I have had no particular experience of bad weather in either place.

Q. Had you any difficulty in coming out of the Kaministiquia?—No, none at all. There was lots of room in the river for our boat to turn.

Q. Did she turn with her own motive power?—She turned with her own power. I let go the dock there and had room to turn out without lines or anything—that is to say by backing and working the boat. We had not room for a sweep; we had to do it by working the boat.

Q. Are you clear about the superiority of one harbour over the other?—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. Do you mean to say that the river is sufficient for a large trade with large vessels, such as are generally used on the lakes?—I would say that the river is better adapted for large trade than Prince Arthur's Landing, unless there was a very large expense gone to, to make the other adapted for a large trade. The river has natural advantages. It is a good sized harbor as it is without any making.

Q. Is there any harbour equal to it on Lake Superior?—No; I do not know that there is.

Q. Were you ever in Nepigon Bay?—No; I never was, I am merely talking of the relative merits of the Kaministiquia and Prince Arthur's Landing. I have been in Duluth, and I do not think it is a superior harbor to the Kaministiquia.

Q. Could twenty or thirty good sized vessels be in the Kaministiquia at the same time, lying there as in a harbour, and leave room to go about for other vessels that would arrive at the terminus?—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 docks, and I have been all through both harbors; I am sure there must be room for twenty-five vessels in the Kaministiquia if there was dockage. You can easily tell how many vessels can lie there. I am sure there is at least sixty feet more than the length of our boat at the railway docks, and I am safe in saying that there is sufficient water to put six vessels of 30 feet beam alongside each other in it, or four vessels of the same beam, and leave a space of eighty feet for other vessels to move around in the river.

Q. Are there facilities for dockage?—Yes; I should say from the way we worked our boat that the water is pretty deep, almost from bank to bank—at that point it is at all events.

Q. Do you mean at the surface of the river the water is two hundred feet wide?—Not at the surface, for the banks slope some. The length of the dock to the bank from where the boat lay is not much greater than a bar of railway iron, perhaps fifteen feet over that length; I do not think it is two lengths.

Q. To whom does the "Ocean" belong?—To Mr. Neelin.

Q. Was it not Norris and Neelin at the time you went in there?—No; she never belonged to them. She is about five years old, and was built after the dissolution of partnership of Norris & Neelin.

Q. Is she running independently, or does she belong to the Neelin line?—She belongs to the Merchant line.

Q. Who are the chief proprietors of the line?—Mr. Neelin owns several boats, Mr. Norris owns some, and there are some boats owned in Hamilton by Adam Hope & Company.

Q. Is the Captain Norris you have referred to a member of the House of Commons?—Yes.

Q. Mr. Neelin was a member of the Local House of Ontario, was he not?—Yes; I know he was elected; but it takes a good while to know who is the member.

Q. Do you think the navigation of the Kaministiquia, up as far as the terminus, is convenient for running vessels, say vessels as long as can pass through the Welland Canal; what is the length of that Canal?—Two hundred and seventy feet. It will take a vessel of two hundred and forty feet, about.

Q. Could a vessel of that length turn at the railway dock as it is now?—No; I do not think she could. I do not know for certain.

Q. There is a pretty sharp bend at the Mission, is there not?—Yes.

Q. Would a vessel two hundred and fifty feet long, laden find it convenient to go round that bend?—I do not know that a boat would find any great difficulty to go round that in that length. Perhaps it would be necessary to make some little improvement to allow a boat to do it.

Q. To widen the river?—It might probably be necessary; I would not say for certain.

Q. Would it not be more convenient for vessels, to be docked on the straight part of the river and avoid this bend altogether?—We have got to take these things into consideration. I look at that a good deal like another place we go into, say Chicago. I suppose there are bends going into Chicago as sharp as this; and going in there we do not pay any particular attention, as long as it is possible for us to go in.

Q. But the Chicago River would be more convenient without these turns?—Yes.

Q. Would not the Kaministiquia also be more convenient without this bend?—Yes.

Q. Would it not be better?—Yes; I think the river is wider and deeper opposite the town plot than almost anywhere else along the river up to that point. I fancy the river is deeper at the edges at the upper part of the town plot than where the river is wider, down below.

Q. Would it not have been more convenient to have the terminus along the straight part of the river, and avoid the elbow?—I do not say anything about other circumstances attending the affair. Taking all circumstances into consideration, I suppose it would be no better to have the terminus opposite the Mission than above. I fancy that the water at the Mission is shallow.

Q. You have no positive information about it; you never sounded it?—No; I judge from appearance.

Q. Do you remember one of the outlets of the Kaministiquia that runs opposite the McKellar farm?—I remember an outlet, but I do not remember the location of it.

Q. Was not the river wider there; was there not a sort of natural basin there?—I do not think that it is extra wide there—that is, deep. I fancy I do remember this at all events, but I cannot give evidence positively on it.

Q. You do not know anything of the depth of water there?—No.

Q. How early in the season have you been there?—I think it was in June.

Q. How late in the season have you been there?—I think I was there in August.

Q. Not later than August?—I do not think it.

OTTAWA, 30th March.

ARCHIBALD McMAUGH, recalled and further examined.

Q. How long have you been sailing to the Chicago River?—Thirteen or fourteen years off and on.

Q. Were you in there before the removal of the bar at the entrance?—Yes.

Q. How were vessels brought in at that time?—They did not go in straight, and they did not usually go in after night.

Q. How were they brought in? By sails?—They went in with tugs. I do not think a stranger could have gone in there very well.

Q. How were sailing vessels brought in?—With tugs. The bar at the mouth of the river was so that the channel was an S shape.

Q. Was the curve greater than in the Kaministiquia?—There is no great curve in the Kaministiquia. With range lights you can go in there at any time of the night.

Q. How does the Kaministiquia, in its present state, compare with the Chicago River as it was then?—I should say the Kaministiquia, in its present state, compares very favorably with what the Chicago River was. It has a much better entrance that we can get in 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?—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 harbour in preference to running on to the shore of the Bay. At present, Prince Arthur's Landing is affected with the south-east winds. There is a "fetch" of twenty to thirty miles with the wind from about south-east round to east north-east. 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. Assuming that a dock and breakwater were constructed at the Landing, could it then be made as safe for vessels loading and unloading, say into elevators, as at the terminus on the Kaministiquia?—There would be a considerable undertow at Prince Arthur's Landing if there was a breakwater outside of the dock that would affect elevators. For instance, take Southampton, a port at which there is an island, and a breakwater runs up to the head of it. The sea, in coming down from the north-west, creates a great undertow, and makes it very difficult to load there in bad weather. In a gale of wind or a heavy breeze it is almost impossible to lie there. Then there is another harbor on Lake Huron constructed on the same principle as the Southampton Harbor. It is a harbour of refuge made by a breakwater that runs down the lake to the southward, and closed in the same way, with an opening of 200 or 250 feet wide. It is a bad place to lie. Almost in all of those harbours where there is a heavy sea there is considerable undertow, and it makes a vessel lie very uneasily, so that it would be very difficult work to unload or load there.

Q. Do you know if there is any undertow at Prince Arthur's Landing?—No; I do not; but I think an undertow would be produced there the same as in those different places I have mentioned.

Q. What wind produces the undertow at Southampton Harbor?—Somewhere about north-west.

Q. What sweep has the wind before it reaches Southampton?—I could not say.

Q. Say within a hundred miles?—I should say it would be perhaps about fifty or sixty miles from the islands down to Southampton. However, I do not state that as a fact, as I do not remember it well enough.

Q. Taking a westerly direction, how wide is the lake?—The worst winds, I presume, that you can have, are the nor'-west. I could scarcely tell you, without looking at the chart, what the sweep of the wind is there, but I do not think it would be as much as 200 miles.

Q. Have you been in Prince Arthur's Landing when there was a sea from a south-east wind?—No; I have not.

Q. Is there at Chicago River a bay corresponding in any measure, or in any way whatever with Thunder Bay?—No.

Q. And no such protection to the entrance of the Chicago River as (there is to the entrance of the Kaministiquia?—I might state, for the information of the Committee, that there is a breakwater two miles long outside the Chicago River. Yet, the vessels use the inside portion of the river in preference to the breakwater as a harbor.

Q. Is there a shelter to correspond in any way whatever with Thunder Bay at Chicago?—No.

What sweep has the wind at Chicago?—I suppose, probably, the nearest point is 18 or 20 miles.

Q. So that there is no natural shelter at Chicago?—No.

Q. Do you consider that there is any natural shelter at Prince Arthur's Landing?—It depends entirely on what distance you consider shelter.

Q. But at Chicago they had no choice but to run into the river?—If you merely wanted to make a harbor, I do not know but there is a choice now.

Q. I am not speaking of now, I am speaking of it in its natural state, when Chicago was like the town plot is now—a wilderness?—There was no shelter at Chicago then, except a dock on the shore.

Q. Can you make any comparison between Thunder Bay and Hamilton Bay?—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; and the Great Western dock at Hamilton is a very unsafe place for vessels to lie in an easterly wind.

And further, deponent saith not.

ARCHD. McMAUGH.

ROBERT McMAUGH, called and sworn, was examined as follows :—

- Q. What is your occupation?—Master mariner.
- Q. Of what vessel?—Of the Propellor "Dominion."
- Q. What is her size?—Welland Canal size; I do not know the exact length.
- Q. About the same size as the "Ocean"?—Yes.
- Q. What is your experience of Lake Superior?—I have been up there two or three times.
- Q. Where; to Prince Arthur's Landing?—I have been to Prince Arthur's Landing twice.
- Q. Have you been at the landing or the river?—I have been at the landing once and at the river twice.
- Q. Had you any difficulty entering the river?—No; none whatever. The first time I went up, I went in after night.
- Q. Was the boat loaded?—Yes; she was loaded down to ten foot six inches.
- Q. Was it a moonlight night or dark?—It was neither one nor the other; it was not a dark night, but the river was lighted with range lights.
- Q. What is your opinion of the Kaministiquia as a harbor?—I think it is a splendid harbor.
- Q. Had you any difficulty turning, coming out?—None whatever.
- Q. Did you require any external assistance to come out?—No; we came out with our own power, without a line even.
- Q. The former witness spoke of it comparatively with the Chicago River; are you familiar with the Chicago River?—I have been in the Chicago River for some five years.
- Q. Do you think there is room in the Kaministiquia for a considerable number of vessels?—I think so. If there was dock room along the river banks, I think there is room for a great number of vessels, and still leave an open channel.
- Q. How are the facilities for dockage? Does the character of the bank afford an opportunity for building docks readily?—I think so. The banks are good up at the railway station; I know they are. That is the only portion of the river we touched at outside the Fort.
- Q. Do you think it equal to a considerable trade? How would it compare in its capacities for trade with the Chicago River?—That I could not exactly say.
- Q. Are the banks capable of being turned into docks the whole distance up the River?—I should say, with a little improvement, it could be.
- Q. What is your opinion of it as compared with Prince Arthur's Landing for a harbor and dockage?—I would not consider Prince Arthur's Landing a harbor all, it is a mere dock in the bay.
- Q. Did you ever land a cargo at Prince Arthur's Landing?—A number of years ago I did, before there was any dock there.
- Q. From a steamer or schooner?—From a steamer.
- Q. In fine weather or foul?—We had a little of both during our stay there. It was during the trouble at Red River. I went up there with a cargo of provisions for the soldiers.
- Q. In what month of the year?—It is a good while ago, and I can hardly recollect.
- Q. Was it in the spring or autumn?—It was in the spring.

Q. Was it in the month of June?—I would not like to say exactly what month it was. I know we come to anchor outside, and laid at anchor five or six days. During our stay there we had all kinds of weather.

Q. Was the anchorage good?—Yes, very good.

Q. To whom does your vessel belong?—Mr. Neelin.

Q. The same line as the "Ocean," I suppose?—Yes.

Q. Were you employed in transporting some steel rails?—Yes, we carried up two cargoes to Fort William.

Q. And you speak rather depreciatingly of the harbor at Prince Arthur's Landing; would any winds from the north-west or west affect that at all? Would it not be perfectly sheltered from such winds?—I would not say perfectly sheltered. From a north wind it would be perfectly sheltered, and is so from the north-west too.

Q. Is it not thoroughly protected from a south-west wind by Pie Island?—Yes; it is a mere dock, you could not call it a harbor at all.

Q. We speak of the shelter and capacity for commerce; is there any other wind besides a southerly or south-east wind that could raise a dangerous sea there?—You could get a south wind in there; it is quite a distance from the Island to the Landing.

Q. What distance?—I could not exactly tell you; I have not looked at the chart since last year, and I was not quite prepared to answer any questions on this point.

Q. When we speak about the harbor, we speak about piers and docks—could a breakwater be built there to guard the harbor from a westerly wind?—I should judge there could be.

Q. If you were commanding a vessel 250 or 300 feet in length, whether would you rather come up to the terminus where you took the rails to, or stop your vessel at the Mission below?—If there was any difficult bend to encounter, I would rather take the straight river for it. I would rather stay below.

Q. Do you think this elbow would be inconvenient for a long vessel, say 250 or 300 feet in length?—The bend is very short, looking on the map at it. It might not be an impossibility getting round it, but it is pretty short. If I commanded a long vessel, I would prefer to stay below the Mission, between there and the Hudson Bay Company's post.

Q. Have you ever been there early in the season?—No; not early in the season; sometime about midsummer.

Q. Have you been there late in the season?—No.

And further, deponent saith not.

ROBERT McMAUGH,  
*Master of Propellor "Dominion."*

JAMES McMAUGH, called and sworn, was examined as follows:—

Q. What is your occupation?—Mariner.

Q. What boat do you command?—The Propeller "Sovereign."

Q. Have you any experience of Lake Superior?—I have been sailing there for the last three years, with the exception of a short time last season when we were not running. During the two seasons we made twenty-six trips to Lake Superior in 1875 and 1876.

Q. What was your point, Prince Arthur's Landing or Kaministiquia?—I called at both points as a general thing, but mostly at the Landing.

Q. Will you give us your experience of the two places as a desirable harbor for vessels?—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. Had you any difficulty in entering the river?—Yes; I have been on the bar, that is before it was dredged out to its present width. In 1875 I was on the bar once or twice, but I got off with my own efforts. At one time I was drawing eleven feet, and I had to lighten cargo to get in. That was before the dredging of last year was done.

Q. But it was after the dredging was done by the Ontario Government?—Yes; before the present contract for dredging.

Q. Do you know the depth of the entrance at present since the late dredging?—I could not speak positively; I believe that our boats went in there drawing twelve feet of water.

Q. Have you gone in at night?—Yes; I have gone in and out at night.

Q. Have you had any difficulty?—Comparatively speaking, none.

Q. Had you any difficulty in turning?—No; none whatever.

Q. What is the length of your boat?—The same length as the other, the full size of the Welland Canal boats, about 140 feet over all.

Q. What is your opinion of the facilities it affords for the construction of dockage along the river?—The facilities are good; that is judging from those piers that have already been placed there. There is no difficulty in driving piles, and the banks of the river are very bold, so that it will not require a great amount of dockage to give vessels good water.

Q. Have you been in and out of the Chicago River?—Yes; I have been in and out four or five years consecutively.

Q. What number of vessels do you suppose the Kaministiquia is capable of receiving and allowing to unload? Is it controlled by the amount of dockage you can make along the banks?—It is controlled by the amount of dockage. 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?—I do not think there would be any trouble.

Q. Do you know whether there would be any difficulty in making basins?—I do not think it, the land is of such a nature that it would be easy dredged.

Q. It would only be a question of expense?—Yes, Sir, only a question of expense morely.

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?—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 harbour there, that is, as safe as the Kaministiquia.

Q. Are you a civil engineer?—I am not, I am a practical engineer.

Q. Who owns your vessel?—She belongs to the North-West Transportation Company.

Q. Who did she belong to at the time you were going there?—To Mr. Neelon. In 1875 and 1876 there was a line of boats formed at Windsor, called the Windsor and Lake Superior line. Mr. Neelon furnished one boat, and the other was furnished by Campbell and Graham.

Q. Were there only two boats?—That is all those two years; and now the Windsor line and the Beatty line have amalgamated.

Q. Have you ever sailed a long steamer 250 or 300 feet long?—I have not.

Q. If you commanded such a steamer, whether would you prefer to take her fully laden to the terminus at the town plot or Fort William, or stop at some point near the Hudson Bay Company's post below the elbow?—I should certainly rather stay below the elbow, as we do not care to go up the stream with a cargo, especially when there are elbows.

Q. Were you ever at Prince Arthur's Landing in rough weather?—Not in very rough weather.

Q. Did you ever experience any difficulty or danger there?—No.

Q. Is the anchorage good there?—I could not say, I never lay at anchor.

- Q. Your vessel lay at the docks?—Yes.
- Q. You have experienced no dangerous weather in the bay?—No.
- Q. Have you ever been in the river late in the fall?—Yes, I was in the river last fall, I could not very well give you the date.
- Q. Had you any ice?—Yes, we had a little ice; nothing to speak of.
- Q. Could you give us any idea of the date, within a day or two?—Not within a day or two without reference to my log.
- Q. What month was it?—In November; early in November. We were there the third last boat.
- Q. You have never seen the river frozen?—It was frozen at this time, with a light covering of ice.
- Q. How thick?—Two inches or an inch and a half.
- Q. Have you been there early in the spring?—No, I was not.
- Q. Would another night's hard frost have made it pretty difficult to get out of it?—No, I think not. We had no difficulty in getting through it.
- Q. But it was frozen over?—Yes, it was frozen over.
- And further, deponent saith not.

JAMES McMAUGH.

JAMES B. SYMES called and sworn, was examined as follows:—

- Q. What is your occupation?—Master Mariner.
- Q. What vessel do you command?—The "Manitoba."
- Q. Have you any experience on Lake Superior?—Yes; I have been master on Lake Superior since 1869.
- Q. Sailing regularly?—Yes.
- Q. What has been the usual point that you have made there; was it the round trip by Prince Arthur's Landing to Duluth?—Yes; I have been over the whole round by Michipicoten, Black Bay, Prince Arthur's Landing and the regular points.
- Q. Have you had any experience of the Fort William terminus at the Kaministiquia?—I have been running up there since August 16th, 1873. That was the first steamer that ever went up there.
- Q. Was that the "Manitoba"?—Yes.
- Q. What is her size?—186 feet long, 28 feet beam.
- Q. What is the ordinary draught of water?—9½ feet is the ordinary draught. I have gone up drawing 10 feet 3.
- Q. Was there a premium offered to the first boat that went up the Kaministiquia?—There was no premium offered, but there were two town lots given to me for going up there.
- Q. Since that period, how often have you entered Kaministiquia?—We have entered it regularly. There has been twice when we did not enter it, but as a rule we entered it regularly.
- Q. Did you find any difficulty in getting in and out?—I got on the bar myself last year, but it was my own fault.
- Q. In four years you only got on the bar once?—No; I got on several times.
- Q. Was it before the dredging was done?—No; since the dredging.
- Q. What draught did they give you?—They gave us 10 feet on the first dredge.
- Q. What is the depth now; do you know?—I took the "Ontario" up there last fall, drawing 11½ feet.
- Q. What is her length?—She is something similar to the "Manitoba." She is a few feet longer, 5 or 6 feet.
- Q. Have you gone in there at night?—I took the "Ontario" in at 12 o'clock at night, and I have gone in frequently with the "Manitoba" at night.
- Q. Did the Ontario go in more than once last summer?—Yes; twice.
- Q. Had you any difficulty in turning?—No.

Q. How did you turn, did you use a warp?—Yes; with the line we swung out from the docks. A propeller could turn herself in the still water, and a steamer could round with the use of her machinery by keeping her stern fast to the docks.

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 the river. Left November 7th. No ice on 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  $1\frac{1}{2}$  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 Islands 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 ("Chicora") lying at anchor at the mouth of the Kaminstiquia, 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 harbour 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. Or basins?—No.

Q. In order to have basins, would it not be necessary to dredge?—If you wish to make basins you will have to dredge, because you will have to cut the banks down to make them.

Q. What are the banks on the easterly side of the river going up?—They are high banks; high banks of clay there, from Fort William up; they gradually grow higher by Fort William; I mean the old Hudson Bay post.

Q. What are the banks opposite the town plot of Fort William?—Not so high on the opposite side, that is immediately above the government dock; just opposite to the government dock they are not so high.

Q. But still they are pretty bold there?—Not too high for a dock.

Q. But that height would have to be dredged off if you want to make a basin there?—Yes.

Q. And the banks are not as high as they are on the town plot?—No.

Q. What height would they be above the level of the water opposite the dock?—I should fancy 2 or 3 feet.

Q. Not more than that?—I should say not at the edge of the water.

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

Q. One is shut in by nature and the other exposed?—Yes.

Q. You speak as a mariner, not as an engineer?—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. In case it was reported by an engineer that a good harbor could be made at Prince Arthur's Landing, would you place confidence in the statement?—I certainly would place confidence in the statement if they surrounded the harbour with a breakwater. Money will do anything.

Q. Have you been up the Chicago River?—Yes, I have sailed there for a number of years.

Q. How do the facilities in the Kaministiquia—capable of being made—compare with Chicago?—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 that the Kaministiquia can be enlarged to the capacity of the Chicago river?—I think it is equal to it now, so far as the width is concerned.

Q. Do you think that there can be such a business done in the Kaministiquia as in the Chicago River?—No, because there is no such frontage.

Q. How much is there in the Chicago River?—I suppose there are probably 10 or 12 miles of water communication through Chicago. There is one branch runs up 5 or 6 miles to Bridgeport.

Q. But in proportion to the trade that is likely to be done there, do you think the facilities would be as good for business in the Kaministiquia as in the Chicago river?—I think so. In proportion to the length.

Q. At Prince Arthur's Landing was there a warehouse on the docks in 1874 at the time you speak of when you had to leave it?—I think so. I think it was built the second year after the docks was constructed.

Q. What is the height of the docks above water level?—It was raised since it was built; at that time it was about 3 feet or 3½ feet.

Q. Was that warehouse damaged at that time?—No.

Q. If the storm had been very great do not you suppose it would have damaged it some?—No. I do not think so from the way the warehouse is built. It is built at the side, at the back end of the docks.

Q. What is the draught of water opposite the warehouse?—We can go right up alongside of the warehouse with the Manitoba, but that cannot be done with a heavy draught boat. They can go half way to it and lighten cargo, and then move up to the warehouse, that is the way we generally do.

Q. Since the time you speak of, have you ever been compelled to leave the docks at any time?—No, not since then.

Q. The "Manitoba" has less draught of water than the "Ontario" or "Quebec"?—Yes.

Q. Is that the reason why the "Ontario" and "Quebec" during last summer were not in the habit of going up to Fort William town plot?—Yes.

Q. When was it you took the "Ontario" up?—We took her up the last trip. We left there in the night at twelve o'clock.

Q. When was that?—In 1877 she was up twice and the "Quebec" was up also.

Q. Twice?—I am certain that the "Quebec" was up twice, and the American boats went up there last fall. The "City of Duluth," which is a larger vessel than the "Manitoba," was up with spars to the Government dock.

Q. What is the capacity of the "City of Duluth"?—1,200 tons.

Q. What is her length?—217 feet.

Q. Do you know how much freight she had on then?—I could not tell anything about it, because I was not there.

30th March, 1878.

Captain JAMES B. SYMES having been recalled was examined under the same oath, as follows:—

Q. How early is your experience in Chicago River?—Since 1860.

Q. Before the bar was removed?—Yes.

Q. How did it compare then with the Kaministiquia as it is now?—The only difference in comparison is as Capt. McMaugh put it. We had to run down alongside of the reef and then turn a curve to get into the river.

Q. Could sailing vessels go in there then?—Not without a tug.

Q. Was there a large business done there then with sailing vessels?—Yes; but they were towed in.

Q. Assuming that there was a dock constructed as described at the Landing, could vessels lie alongside of it there as easily and smoothly as they would in the Kaministiquia?—No.

Q. You have heard the evidence given by Captain McMaugh?—Yes.

Q. Do you concur in his views?—I do.

Q. Do you think there would be an undertow at the Landing?—I do, because you cannot construct a dock on the lake shore without creating an undertow. The moment the sea strikes the beach 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?—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.

Q. You had to leave the dock at Prince Arthur's Landing in 1873?—Yes.

Q. What was the height of water above the dock at that time?—Four feet. I would not be positive as to within three or four inches.

Q. What is it now?—Five and a half I think.

Q. Not higher than that?—It may be, but I do not think it.

Q. If the dock had been sufficiently high would there have been the same necessity for your leaving it to protect your vessel?—No; if the dock had been sufficiently high we would not.

Q. Your steamer is a paddle wheel steamer?—Yes.

Q. How high is the wheel guard above the water?—Three feet.

Q. Had the wharf been six or seven feet high, would it have been necessary to leave the dock?—No; but we have no wharf that high.

Q. If it was five feet and a half would your paddle boxes have been likely to receive any damage?—No; but we would have smashed our fenders and "chewed" up the guard, as happened at Southampton.

Q. But if the wharf had been five feet and a half, you would not have experienced the same danger of getting on the dock; do the long propellers that go up the Chicago River turn at any point?—No; they have to turn by backing into a "slip," or at the north or south branch.

Q. I think in 1869, in your last trip, by your log report, the river was open as well as the bay?—Yes.

Q. How far was the river open?—I could not tell you that, we did not run into the river at the time, we lay at the mouth and discharged some cargo.

Q. How far up was it open?—I know it was open to Fort William, because we had to send up boats for the mails.

And further, deponent saith not.

J. B. SYMES.

OTTAWA, 1st April, 1878.

Capt. ALEXANDER McDUGALL, called and sworn, was examined as follows:—

Q. Where do you reside?—At Duluth, Minnisota.

Q. What is your occupation?—Master of a steamer navigating Lake Superior.

Q. What steamer do you command?—The steamer "City of Duluth."

Q. How long have you been in command?—One season only, of that boat.

Q. Is she a new boat?—Three years old.

Q. Were you sailing on Lake Superior before having command of the "City of Duluth"?—Yes; for six years previous to having command of the "Duluth."

Q. What is her carrying capacity?—1,400 tons; her length is 217 feet over all.

Q. She does not pass through the Welland Canal?—No.

Q. What is her breadth of beam?—Thirty-six feet six inches.

Q. What depth of water does she draw with an ordinary load?—To pass through the Sault Ste. Marie Canal, twelve feet six inches. We could load her to fourteen feet if we could get her through the canal.

Q. Above the canal you can load her to her full capacity?—Yes.

Q. Do you know Thunder Bay and the North Shore?—Yes.

Q. Have you been frequently there?—Yes; I have been there nearly every year for the last fifteen years, with the exception of last season.

Q. Of late years, since the dock has been constructed, have you fastened to the dock or did you lie at anchor?—We fastened to the dock.

Q. Have you ever been there in stormy weather?—There has been quite a sea outside, but nothing in the bay to speak of.

Q. Have you ever been compelled to leave the dock on account of the sea?—No; I was never uncomfortable at the dock there.

Q. What is the height of the dock above the water?—I should judge the Government dock is four and a half or five feet above water.

Q. In the event of a storm arising there so as to make it uncomfortable to lie at the dock, what would be the comparative merits of that harbor and the Kaministiquia?—I do not think it would ever be safe to enter the river when it would be uncomfortable to lie in at the dock, as any vessel that would try to go into the river would pound on the bar so as to be unmanageable in a storm. It is an impossibility to enter the Kaministiquia in a storm.

Q. Are fogs frequent up in that locality?—Very frequent.

Q. What season of the year are they most frequent?—Commencing about the first of June and lasting to the middle of August.

Q. In such a fog, would it be easier to go into the river than to the Landing?—It would not be as easy; it would be impossible.

Q. In one of those fogs, could a vessel get to the dock at the Landing?—Yes; I have on two occasions last season got to the dock in a fog without any trouble by going slowly and taking soundings.

Q. Could you have gone into the Kaministiquia on those occasions?—I would not attempt it. I do not think it is possible for anyone to find it. I do not think the entrance could have been made in a fog—I feel confident that it could not.

Q. At what date does the canal at Sault Ste. Marie usually close?—As late as the 5th of December. The last boat has gone through as late as the 5th of December, and the 25th of November is about the earliest closing; but the average is about the 2nd of December, that is the last boats passing through the canal.

Q. And the earliest was the 25th of November?—Yes, but that was years ago, when we were not as well acquainted with the lake as we are now.

Q. Were you at Thunder Bay last fall late enough to see the Bay close?—No.

Q. And you could not tell us at what date the Kaministiquia closes?—No; only from what I know of the rivers on the south shore of the lake. When we left there last fall there were signs of ice on the river, but none outside of the Bay.

Q. What time of the year do the rivers close on the south shore?—There is not a very great current in the mouths of those rivers, and in the fall of the year they freeze up quicker than the other harbours, and before the closing of the canal.

Q. What kind of bottom is there at Prince Arthur's Landing, and in the Bay for anchorage?—It is sound. The Bay for anchorage.

Q. Does the water deepen suddenly from the pier at Prince Arthur's Landing?—Not very suddenly; soundings go out pretty gradually, and there is good anchorage.

Q. How would it be for the purposes of extending piers and a breakwater?—Very good.

Q. There would be no unusual difficulties in the way of such works being constructed there?—None that I can see.

Q. Are you acquainted with any harbours on Lake Superior that are protected by breakwaters or made harbours by such works?—Yes.

Q. Name any of them?—Marquette in particular.

Q. Is there much business done at Marquette?—Yes; it is second to none in exports, except Chicago; for exporting of iron alone exceeds half a million tons a year; and there is besides the import trade.

Q. Is there any river flowing in there?—No.

Q. So the harbour is formed entirely by a breakwater?—Yes.

Q. How do the heavy seas effect it?—None at all.

Q. Is it not exposed to very high winds from the North-west?—Yes, the entire force of the wind from Lake Superior from the north-east for 120 miles, on the north-west for 150 miles comes full sweep into Marquette.

Q. Has it ever had any effect on the breakwater?—None at all.

Q. And is the shelter sufficient under these circumstances?—Yes.

Q. What would be the sweep of the sea at Prince Arthur's Landing?—It would not exceed at any distance, that is in all, more than twenty miles, except such chop of the sea as might come in through the gap, between forty and fifty miles from the lake.

Q. What direction would the wind come from that would affect the gap at Prince Arthur's Landing?—South-east.

Q. Is it a common thing to have gales from the south-east?—No; they are from the north-west and south-west.

Q. What would be the position of Prince Arthur's Landing under the difficulties of north-west and south-west winds?—North-west winds, of course, are the most frequent we have; they are the prevailing winds of the fall on all the lakes, but Prince Arthur's Landing is almost entirely protected, because the wind would be off the land there.

Q. Would it not be equally well protected from the west?—Yes; the west wind blows off the land; as you get to south-west it is also protected by a range of Islands. Bay Island is more south and east from there, but the other range of Islands that form the gap of the harbour are a protection from a south-west wind.

Q. It would be pretty well protected then?—There would be no sea there to be any nuisance.

Q. Have you any knowledge of the dredging of rivers similar to the Kaministiquia, for the purpose of keeping them open for navigation?—Yes, I have particularly the St. Louis and the Outonagon. I have had a good deal to do with those rivers.

Q. What is your experience of them?—It seems the more they do in the way of improvements the worse the channel is becoming all the time, and they have to make appropriations there every year, they are extending their piers out into the lake, some of them nearly every year; but still the bar appears to be forming. The St. Louis and the Outonagon appear to be similar rivers to the Kaministiquia, as they get their source from the same kind of land, and their deposits would be similar.

Q. Are those piers at the mouths of these rivers extended out into the lake?—Yes; otherwise the channel would be so contracted that they could not keep it open at all.

Q. The bar is created by the debris that washes down into the lake?—Yes; by the current of the river and the reaction of the sea against the mouth of the river.

Q. Have you any experience of Portage River?—Yes.

Q. Have they to keep it open by dredging?—Yes, there are two dredges working there all the time. They are kept by a company, and get a bonus from the Government, and are allowed to charge every steamer and vessel that come in there a tonnage tax of fifty cents a ton on all freight that is landed in the country, and fifty cents a head on every passenger, in order to defray the expense of this dredging; still they cannot keep a channel deeper than will allow vessels drawing eleven feet three inches of water to enter, and this injures the trade of the port, as they have to keep a small class of vessels to do the business.

Q. Are you acquainted with the Chicago River?—Yes.

Q. What was the condition of that before improvements were made there?—It was a very dangerous river before it was made a harbour of refuge, but in ordinary weather it was all right.

Q. Have you ever been in the Kaministiquia with the "City of Duluth"?—Yes; last season.

Q. Had you any difficulty in entering?—Nothing particular.

Q. Had you a heavy cargo?—No; we had no freight, only forty tons, which amounts to nothing to us.

Q. How high did you go up there?—We went up to a Government dock, and landed our freight there.

Q. Can you run straight, without any hesitation, after entering the river?—We can go on at a good rate of speed, but it would not do to run at a high speed because it would wash in the banks. Four miles an hour is as great a speed as would be allowed after the improvements are made.

Q. Does it take any longer to go up to that dock from the mouth of that river than to Prince Arthur's Landing?—Yes; considerable.

Q. Would it make any difference in the length of the voyage?—It would make a difference of three or four hours at least, between going there and going to Prince Arthur's Landing.

Q. You mean going in and coming out?—Yes; it would make a difference of three hours in going there from Duluth, and four hours from East, or Prince Arthur's Landing.

Q. It would make then a difference of three or four hours on an average, for a vessel to have to call in there instead of going to Prince Arthur's Landing?—Yes.

Q. Do you know the size of the new locks at the Sault St. Marie Canal?—No; not the exact dimensions, but it will be large enough to admit five or six of the largest boats we have, when it is completed.

Q. Do you not suppose that the ordinary vessels engaged in Lake Superior trade will be in a few years of much larger dimensions than they are now?—Yes; Marquette has decided that already, that the small craft cannot pay, and they are entirely giving way to a larger class of vessels.

- Q. Could you turn the "City of Duluth" with you own machinery at the Government docks in the Kaministiquia?—With the use of a line we can turn there.
- Q. If loaded could you?—I doubt if we were loaded that we could turn without some improvements; in fact I am satisfied that we could not.
- Q. Your vessel is 217 feet long?—Yes.
- Q. And even your vessel, if loaded, cannot turn by her own machinery?—I think at the Government dock it would be difficult to turn loaded, but we had no difficulty in turning light.
- Q. Would about 250 feet long be able to turn there loaded?—No.
- Q. Do you remember, in going up the river, seeing an elbow a little above the Mission?—Yes.
- Q. With a vessel of the length of your own, or one 250 or 300 feet long, would it be desirable to have that elbow, and take the docks below it instead of above it?—Of course, the less up river you have the better, and the fewer curves you have the better.
- Q. How many times have you been at Prince Arthur's Landing?—I do not exactly know how many times, but this last season I have been there eight or ten trips.
- Q. In former years what was the average number of trips you made there?—I have never stopped at the dock previous to last season.
- Q. Then your experience with regard to Prince Arthur's Landing and the dock is confined to last season?—Yes.
- Q. How many times have you been up the Kaministiquia?—Twice.
- Q. On what occasions?—Once late last fall, and once previous to that last season.
- Q. What were you drawing at that time?—As near as I can recollect, about ten feet three inches.
- Q. Do you know the depth of the river after you cross the bar, or get into it, above the Hudson Bay Company's post?—No; not until we get near the mills there, because we touch bottom there.
- Q. Did you take soundings there?—Yes; we did.
- Q. Did you take soundings higher up?—No; not higher up. I know, going fast in the first bend in the river, which is a little above the saw mill, we touched bottom there.
- Q. You spoke of several rivers, the Portage and two others emptying into Lake Superior where the dredging is done every year. Can you tell me the depth of water up those rivers?—In the St. Louis River the water is good eight or ten miles up.
- Q. As deep as the Kaministiquia?—Yes; I should say twenty odd feet. And the Portage River is usually twenty feet deep, but some two or three places where they have not dredged it is not so deep. It is a very similar river to the Kaministiquia.
- Q. Assuming that the bar at the mouth of the Kaministiquia is dredged to a depth of eighteen feet and a breadth of 100 feet, would you consider there is any difficulty then in getting into it, and how would it compare with Prince Arthur's Landing with a breakwater, such as you describe having been constructed there?—I should think there would be no comparison at all as regards the despatch of business.
- Q. You would still prefer Prince Arthur's Landing?—Yes; by all means.
- Q. Where do you reside?—In Duluth, Minnesota.
- Q. Were you telegraphed there to come here?—No.
- Q. Did you come here at the instance of Mr. Marks?—No; I did not. I was visiting in Toronto.
- Q. Did Mr. Mark's ask you to come here?—No; he did not.
- Q. How did you come here?—By a telegraph from the Clerk of this Committee.
- Q. Did you make any arrangement with Mr. Marks for his freight this year?—No; it was not in my power to do so.
- Q. Have you had any negotiations with him this year for his freight?—No.
- Q. Did you state so to Mr. Olliver?—I have not seen Mr. Olliver since last year, and I never saw him but once that I remember.

Q. You spoke about the vessel grounding when you went into the river. Could they carry full cargo if the depth was increased to 18 feet?—Even at 18 feet I would consider it unsafe to go in with any sea, that would be uncomfortable to lie at Prince Arthur's Landing docks.

Q. And you would consider it very extraordinary that boats were obliged to leave the docks at Prince Arthur's Landing and take refuge in the river?—If you will look into their capacity you will find that they are very small crafts that ever had to leave Prince Arthur's Landing during a storm.

Q. Were you up the Chicago River before 1862?—Yes.

Q. Were you sailing a vessel then?—No; I was on board a vessel as a boy.

Q. Can you turn your vessel anywhere in the Chicago River?—Not every place.

Q. And you were obliged to seek the slips to turn?—Yes; the slips are very numerous for that purpose, and other purposes also; they are used as dock fronts.

Q. Could slips be as readily made at the Kaministiquia as at Chicago?—No.

Q. Why not?—Because the town plot is higher. At Chicago the river was dug out of the level plain, but at the Kaministiquia the banks are high and is unfavorable for dredging. Chicago was a great marsh, and the river was almost level with the land.

And further, deponent saith not.

ALEX. McDOUGALL.

OTTAWA, 1st April, 1878.

Captain EDWARD ANDERSON, called and sworn, was examined as follows:—

Q. Where do you reside?—At Sarnia.

Q. What is your occupation?—Mariner.

Q. How long have you been sailing on Lake Superior?—Four years.

Q. In what vessel?—The steamer "Quebec."

Q. Are you commander of that vessel?—Yes.

Q. How frequently have you visited Prince Arthur's Landing?—One hundred and six times.

Q. How frequently have you made your trips?—Every ten days we left Sarnia.

Q. What is the size of your vessel?—Two hundred feet over all, and thirty feet beam.

Q. What is the tonnage?—Seven hundred and ninety-nine register.

Q. What is the average draught of water when loaded?—Twelve feet four inches when laden. That is generally what we load; but we could load deeper if necessary. That is what we come down the canal with.

Q. You could not come down through the canal if you drew more than twelve feet six inches of water?—No.

Q. But with the capacity of your vessel you could load her down deeper?—Yes; to fourteen feet full freight.

Q. So that if you had the new canal you could come down loaded to fourteen feet?—Yes.

Q. Have you ever had to leave Prince Arthur's Landing dock, during the four years you were sailing to that harbor, from stress of weather?—Never.

Q. Have you ever been there during a gale?—Yes.

Q. How did your vessel lie at the dock in a gale?—With her head to the north-west.

Q. Comfortably and safely?—Yes.

Q. Do you know the Kaministiquia River?—Yes.

Q. Have you gone in there frequently?—Twice only with my boat.

Q. At what time did you go in?—Last fall, when I was up the last trip, and I do not know whether it was the trip previous or two trips before that I was in.

Q. What freight had you?—Some miscellaneous freight for Purcell and Ryan.

Q. What was the quantity?—About forty or fifty tons probably—it did not amount to anything.

- Q. It was after discharging your principal cargo at Prince Arthur's Landing?—  
Yes.
- Q. What depth of water were you drawing when you went in?—When we went in before, we drew eleven feet and a half going in, and twelve feet coming out, because when I took the cargo out of her she dropped farther astern; and last time we went in we drew eleven feet.
- Q. Did you experience any difficulty in getting up to the dock?—We touched on the bottom but we never stopped.
- Q. What was your rate of speed when you touched bottom?—We were running as slowly as we could move.
- Q. Whereabouts did you touch bottom?—The first place I noticed it was at the outer lighthouse.
- Q. Was that on the bar?—No, after we got over the bar, we never touched on the bar.
- Q. And the next place?—We dragged from there to abreast of Oliver's mill.
- Q. Did you experience any difficulty in turning in the river?—We turned with our own machinery opposite the dock.
- Q. And you had not to use a line?—No.
- Q. What is your opinion with regard to the comparative merits of Prince Arthur's Landing and Kaministiquia River as a harbor?—In their present state I would prefer Prince Arthur's Landing, but if the river had what I consider necessary I think it would make a noble good harbor.
- Q. What do you consider would be necessary to make it that?—I consider it would need to be thoroughly dredged at the bar, to at least 200 feet wide or 250 feet; then piered and piled on the outside, and a fog whistle established at the outer lighthouse, so that we could find the entrance in foggy weather.
- Q. To what depth would the dredging be required?—Almost sixteen feet.
- Q. With a similar expenditure at Prince Arthur's Landing for improvements in the way of a breakwater, how would you compare the two then?—Then I would rather go to Prince Arthur's Landing.
- Q. Would it be necessary to widen the channel through the bar to a width of 200 or 250 feet, and also dredge the river?—I think it ought to be at least 150 feet wide on the bar between the piers.
- Q. You think the channel outside the mouth ought to be piered?—Yes.
- Q. In foggy weather, would you experience more difficulty in getting into the river than you would getting to the dock at Prince Arthur's Landing?—If there were piers there such as I speak of, it would make it as easy at the river as at the Landing, but it would require a fog bell also.
- Q. Have you ever gone to the dock at the Landing in a fog?—Often.
- Q. Is there any fog bell there?—No. We lost a good deal of time figuring to get in.
- Q. Which place would you prefer to go into in a fog as they are now?—As they are now we could not go into the river at all.
- Q. But with the river improved, and the Landing also improved, which one would be safer?—If the improvements were made at the bar and piers, and a fog whistle at the outside, I would just as soon go into the river as to the Landing.
- Q. Are fogs frequent there?—Yes.
- Q. How late in the season have you been there?—I do not recollect. Sometime the latter end of November.
- Q. Not so late as to see the river frozen?—There was some ice on the river when I left there last fall, but it did not amount to anything.
- Q. Were all those improvements which have been mentioned made in both places, would there be any difference in time in going to Prince Arthur's Landing and going to the Government dock in the river?—Yes; my opinion is there would be a difference of time in favor of the Landing.
- Q. How much?—It is about a twenty minutes run from the mouth of the river to the Landing. Of course we can go faster up to the Landing dock than we could

go up the river to the Government dock there. While we are going up the river we would necessarily have to go slow, but I do not think the difference in time would be very great.

Q. Are the freight boats now doing business on the lakes increasing in size compared with those that were doing the business a few years ago?—Yes.

Q. When the new lock is completed at the Sault, do you think the class of boats doing business there will be larger than they are now?—I do not think it. There are very large vessels in the business now; some of them 1,400 tons.

Q. What is their length?—Something over two hundred feet; very large vessels. Some of them cannot load near as deep as they would if they had sufficient water in the lock to go through with a full cargo.

Q. Do you know what the draught of water is to be in the new lock?—I understand it is to be a sixteen foot lift.

Q. What season of the year are fogs most prevalent?—In spring—June or July.

Q. Is it a land fog or does it continue?—Sometimes it clears up in the morning, and sometimes it lasts all day.

Q. At any time, when navigating Lake Superior, did you ever experience very heavy seas outside, and when you got into Thunder Bay the water was less rough?—Yes.

Q. Did you always consider yourself safe when you got into Thunder Bay, no matter what storm it was?—Yes, as far as the coast was concerned, I always considered it safe when I got into the Bay.

Q. Was that at the dock or at anchor?—I never was at anchor there.

Q. Have you ever had a gale from the south-west there?—Yes.

Q. And from the south, too?—Yes, a south wind does not effect it at all. South-east and north-east winds are the only winds that will injure it. The north-east wind blows from the lower end of the Bay up.

Q. With the improvements you speak of—deepening the channel through the bar, and widening the entrance to the river, at which dock would a vessel lie more easily, supposing a breakwater to be built also at Prince Arthur's Landing?—They would lie perfectly safe at either place.

Q. You would not be prepared to give the preference to either?—No.

Q. You have sailed to the Landing as often as any other captain?—No, Captain Symes is a long way ahead of me.

Q. He has had more experience than you have?—Yes, and Captain Robertson has also been there oftener than I have been.

Q. You have been rather an advocate for the Landing as the best harbor, have you not?—I was until I learned the river.

Q. Did the Landing people ever make up a testimonial for you?—Yes.

Q. When was that?—Last fall.

Q. What shape did it take?—Five \$20 gold pieces—a very acceptable shape.

Q. Do you know did Captain Symes receive anything from the people of the town plot?—I know nothing about it.

Q. Have you ever been up the Chicago River?—Yes.

Q. At what particular period have you been up that river?—From 1865 up to 1873.

Q. Were you up there before the bar at the mouth was removed?—Yes.

Q. Before the bar was removed how did it compare with the Kaministiquia as it is now?—It was ahead of the Kaministiquia as it is now, because there was more water round it.

Q. Was it not as narrow as the Kaministiquia?—Yes.

Q. What was the depth of water on the bar at the Chicago River?—I went aground on it at ten and twelve feet, and the vessel pounded very heavily.

Q. Still there was a large business done there?—Yes; there was a fearful business done. We never thought of taking the harbor if there was a breeze up the lake.

Q. I suppose sailing vessels were then in all cases towed up?—Yes; and they sailed up too. I have sailed up often.

Q. There was no natural protection outside the Chicago River?—No.

Q. Nothing to correspond with Thunder Bay?—No.

And further, deponent saith not.

E. ANDERSON.

Captain EDWARD ROBERTSON, called and sworn, was examined as follows:—

- Q. Where do you reside?—At Goderich.
- Q. What is your occupation?—Master Mariner.
- Q. Are you acquainted with the navigation of Lake Superior?—Yes.
- Q. How many years have you been acquainted with it?—Four years.
- Q. Have you had charge of a vessel four years on it?—Three years.
- Q. What vessel?—The steamer "Ontario."
- Q. What is your experience of Prince Arthur's Landing as a harbor? How often have you been there?—About a hundred times, I think.
- Q. With your vessel?—Yes.
- Q. Have you had any experience in heavy storms on Lake Superior?—I have.
- Q. What kind of a harbor do you consider Prince Arthur's Landing and Thunder Bay to be?—I have never had any trouble there. I have never had any difficulty in going in. You can approach it in any kind of weather. I have done so.
- Q. When there were storms on Lake Superior did you experience any difficulty in lying at the dock at the Landing?—No; none whatever.
- Q. You never had to leave the dock in consequence of a storm?—No.
- Q. What is the size of your boat?—Two hundred feet over all.
- Q. What is her tonnage?—We pay tonnage dues on 750 tons.
- Q. Is she a propeller or a side-wheel steamer?—A propeller.
- Q. In carrying full freight, what depth does she draw?—We do not load to over twelve feet four inches on Lake Superior.
- Q. But in carrying full freight, how much does she draw?—Fourteen feet.
- Q. Do you know the Kaministiquia?—Yes.
- Q. Have you frequently taken your boat up?—I have been up twice.
- Q. When?—I was there the 15th of November last; it was my last trip.
- Q. Were both trips in November?—Yes; I would not be certain about the first trip; Captain Symes went up with me the first trip.
- Q. Did you go up with freight?—Yes.
- Q. What quantity of freight did you take up?—I had loaded somewhere about three hundred and fifty tons of freight.
- Q. What depth of water was your vessel drawing?—Nine feet forward and eleven feet aft. The second time I went up I was drawing eleven feet six.
- Q. Did you experience any difficulty in getting up?—The second time I went up, I got on the bar. Captain Symes was not with me and I was going on my own account at that time.
- Q. You had the range lights going to the river?—Yes; but her stern touched the bank, but she fell over against it and lay there. I hove her off next morning myself with my men.
- Q. This was last fall?—Yes, it was my last trip.
- Q. Had they been dredging there all summer?—Part of the summer.
- Q. Had they done dredging there the year before?—I think they had.
- Q. Had they been dredging there as early as 1873?—That was before I was up there.
- Q. Had they been dredging in 1874?—Yes; I think so.
- Q. Did you go into the river in 1874?—Yes, I was with Captain Symes as mate when he went in 1874.
- Q. Did you experience any difficulty in going up the river after you got off the bar?—No, I went right along.
- Q. At what rate of speed?—Four or five miles an hour. Of course we were stirring the mud up a little from the first lighthouse up to Oliver's mill.

- Q. What is the ordinary speed of your boat?—Ten miles outside in clear water.
- Q. If you had been going at the rate of ten miles an hour in the river, what would have been the effect?—She would have drawn fifteen to sixteen feet of water then. She squats right down when she is going hard.
- Q. And you have to go slow in every narrow river?—Yes; four or five miles an hour. Of course a boat will stir the bottom in any shoal water if you drive her hard.
- Q. Have you ever been at the Landing late in the fall?—Last fall was the latest; I left on the 19th of November.
- Q. There was no ice on the river or in the bay at that time?—No.
- Q. Have you ever been up there so late in the fall that there was ice in the bay or river?—Not since I went up there.
- Q. You would consider yourself perfectly safe in Thunder Bay as a harbor, or at the dock in case of a storm?—I think I have been there in as rough a storm as I have ever seen, and had no trouble.
- Q. And there was no danger of your vessel getting on the dock?—No; but, of course, a propeller is different from a side-wheel steamer.
- Q. Did you turn your vessel in the river by her own machinery?—Yes; we turned with a line and our own machinery.
- Q. Assuming that the river is dredged to the depth of sixteen or eighteen feet, and to a width of one hundred feet, would you have any difficulty in reaching it?—One hundred feet is pretty narrow.
- Q. Would it require to be wider than that?—Yes; if it was two hundred feet there would be no difficulty at all.
- Q. What is the present width?—Not over forty-five feet.
- Q. Still you went in on one occasion?—Yes; the buoys are up on both sides, and you have to go in like a shot from a gun to get through.
- Q. Was it at night you got on?—Yes. If I had waited until daylight, I would have been all right. I was in a hurry and got a little out of the way.
- Q. Were the range lights up then?—Yes.
- Q. Do you think you could go in again?—Yes; I think so.
- Q. Was it the fault of the boat or your own fault?—No; it was not exactly my fault; the channel is rather narrow.
- Q. You would rather wait until daylight to try it again?—I would.
- Q. Which harbor would you rather lie in if the improvements spoken of were made at the Landing and at the Kaministiquia?—When a boat is up the river it is impossible for it to be safer.
- Q. Do you not think the river has an advantage in that way?—Yes; it has an advantage for dockage, but, of course, if you made improvements at the Landing, there is not much to choose between them.
- Q. Have you been up the Chicago River?—Yes.
- Q. When were you first up there?—Fifteen years ago.
- Q. Was that before the bar at the mouth was dredged?—Yes.
- Q. And there was about the same depth of water on the bar there as there is now at the Kaministiquia?—There was scarcely as much. There is plenty of water on the bar at the Kaministiquia since it has been dredged if you can keep in the channel.
- Q. What would you consider the relative facilities for entering to be, before the improvements were made in the Chicago River?—I would sooner enter the Kaministiquia than go into the Chicago River. In the latter river you had to run around sharp bends; I lay on the bar there twenty-four hours once.
- Q. You were never up the Kaministiquia before last fall?—Yes; I was, when I was Mate with Captain Symes.
- Q. You have been, as a rule, rather friendly to the Landing?—Yes.
- Q. Did they present you with any testimonial?—Yes.
- Q. In gold, too?—Yes; a gold watch. They promised the first boat up the Kaministiquia one, too, but they failed to connect.

Q. In the case of a boat entering the river slowly with a south-east wind blowing, would she be likely to go on the bar?—I would not try it as it, is now under a cross wind.

Q. If the channel was 100 feet, with a cross wind blowing, and the boat going at a low rate of speed, would you consider yourself safe in going in?—We could not go at a very low rate of speed because we are so high out of the water that the wind catches us. When we are light we draw eleven feet of water aft and four feet forward. I think with the channel from 150 to 200 feet wide, it would be safe enough. And further, deponent saith not.

E. ROBERTSON.

Captain JOHN S. MOORE, called and sworn, was examined as follows:—

Where do you reside?—At Prescott.

Q. What is your occupation?—Master Mariner.

Q. Of what vessel?—Propeller "Asia."

Q. You have been up Lake Superior?—Yes; three seasons.

Q. Have you been at Prince Arthur's Landing?—Yes.

Q. How often?—I have been 39 trips to Lake Superior, and went to Prince Arthur's Landing each trip, stopping at Prince Arthur's Landing up and down.

Q. And stopping at the Kaministiquia?—Yes.

Q. How often?—I used to go to the Kaministiquia every time I went to Prince Arthur's Landing.

Q. What is the size of your vessel?—About 144 feet long; Welland Canal size.

Q. What depth of water does she draw?—We load her down to 11½ feet.

Q. Had you any difficulty in getting in and out of the river?—No; but we got on the bar once last summer. The dredge was lying in the centre of the channel, and the scows were alongside of her.

Q. Were you obliged to go out of her way, and got on to the bar?—We got off ourselves without any other assistance.

Q. What was your draught of water at the time?—I think about ten feet six.

Q. You have heard the witnesses speak as to the basis of improvements; that is deepening of the entrance to sixteen or eighteen feet, and widening the channel was 100 feet at least. The construction of a bar or breakwater at Prince Arthur's Landing, in the event of these improvements at the two points, which would be your preference as a harbour?—As a harbour I would prefer the river.

Q. Have you ever known a vessel to leave Prince Arthur's Landing in consequence of wind or ice?—I believe the "Frances Smith" left there last fall, but I was not up there at the time.

Q. Who commanded the "Frances Smith"?—Captain Wood.

Q. Have you been in the Chicago River?—Yes.

Q. Were you there before the bar was removed?—It was in 1863; they were working at the bar then.

Q. How does the Kaministiquia compare with the Chicago River as it was then?—We struck on the bar at the mouth of that river drawing ten and a half feet.

Q. With the improvements made in the Kaministiquia, dredging the channel to sixteen or eighteen feet, and widening it to one hundred feet, how would it compare then with the Chicago River?—We can turn the "Asia" anywhere in the Kaministiquia, anywhere from the Government dock to the mouth; you cannot do that in the Chicago Creek, we have to go into a slip there and turn our boat.

Q. Were you ever in Thunder Bay during a storm?—Yes; with a heavy south-west wind.

Q. Did it effect you at all?—No; we lay at Prince Arthur's Landing dock.

Q. How many times have you been at Prince Arthur's Landing dock?—About seventy-eight times.

Q. In these seventy-eight times had you ever occasion to leave it on account of

stress of weather or heavy seas?—No. I never was at the dock in a gale but once and that was in a south-east wind. A south-west wind does not affect it.

Q. Are not the prevailing winds on that lake, south-west winds?—Yes; sometimes north-westers.

Q. Is it not very seldom you have a storm there with a south-east wind?—Not as often as with the north-west one.

Q. To whom does the "Asia" belong?—The North-West Transportation Company last year.

Q. When you were sailing from Windsor, to whom did she belong?—To Campbell and Graham.

Q. Did she take up any of the railway iron?—Yes; we carried railroad iron up from Windsor.

Q. Did you carry contractors supplies too?—No.

Q. Were you ever out in Lake Superior in a storm?—Yes.

Q. Did you ever in leaving Lake Superior in a storm consider you were safe on getting into Thunder Bay?—Yes. In getting into Thunder Bay I considered myself safe.

Q. And you consider it as a good harbor except in a south-east wind?—In a south-east and north-east wind; you can make it a good harbor in a north-east wind by going to the head of the bay.

Q. The harbour is protected from the north, is it not?—Yes. The north wind will draw off the land there. The north-west wind draws off the land too, and the west wind draws off the land, and the south-west wind draws off the land pretty well, and there is no sea of any account coming to the landing from those points.

Q. How does your vessel compare, in size and tonnage, with the large propellers that trade to Marquette?—They are a great deal larger than mine.

Q. How much?—Some 60 or 70 feet longer than mine and more beam.

Q. If your vessel was 60 or 70 feet longer, could you have turned in the river up at the Government dock?—Yes; I think so.

Q. What is the width of the river?—I should judge about 250 feet.

Q. What is the depth of water in that 250 feet?—I think there is 14 feet of water alongside of the Government dock, and the banks are very bold opposite on the other side of the river, and the water is deep close up to them. I never measured it at the other side.

And further deponent saith not.

J. S. MOORE.

JAMES D. HENDERSON, called and sworn, was examined as follows:—

Q. Where do you reside?—Toronto.

Q. What is your occupation?—Builder.

Q. Are you the builder of the Neebing Hotel at Fort William?—Yes.

Q. Who induced you to go to Fort William to undertake the building of that hotel?—Joseph Davidson of Toronto.

Q. Of Oliver, Davidson & Company?—Yes.

Q. Did you make any agreement with Mr. Davidson with regard to the kind of building you were to erect?—No; I made no agreement with Mr. Davidson at all. I made the agreement with Mr. Oliver when I got up there.

Q. At what time was that?—July 1st, 1875.

Q. Did Mr. Davidson furnish you with the plans of the building?—No. There were no plans.

Q. When you went to Fort William did you at once put yourself in communication with Mr. Oliver?—Yes; I had a letter from Mr. Davidson to Mr. Oliver.

Q. Had you the plans and specifications for the building that was to be erected?—I understand by Mr. Davidson that he had the plans and specifications, but when I got up there he had none. He merely gave me an outline or sketch of how the building was to be made.

- Q. Did he sketch it himself?—Yes; he sketched it on a piece of board and told me to improve upon it myself, and make any alterations I liked; me being a builder, he said, I would have an idea how to build it.
- Q. Did he tell you what size he wanted the building to be?—Yes; he told me to make it large enough.
- Q. Did you keep that plan that was sketched out by him, or did you make one for yourself from the board?—Yes; I have got a sketch of the plan here.
- The Witness here produces the sketch.
- Q. Is that what he sketched out or what you sketched out?—I sketched that myself.
- Q. Is that a copy?—I showed that to Mr. Oliver, and he said that was satisfactory.
- Q. Was there any specification prepared?—No; there was no specification.
- Q. Did you make that on the basis of what was sketched on the board by Mr. Oliver?—Yes.
- Q. What agreement did you make with Mr. Oliver in reference to the erection of this building?—I now produce the original agreement; it is filed as exhibit "Y."
- Q. Was that agreement made before you commenced work?—Yes.
- Q. Did you ever subscribe for \$2,000 on the stock book?—Not on the stock book.
- Q. Did you commence work immediately?—I commenced work immediately after the agreement was made.
- Q. The material that you required, did you give orders for it to Oliver, Davidson & Co.?—Some I did; three bills I gave orders for.
- Q. And some you did not?—No.
- Q. Were these orders verbal or written?—They were verbal.
- Q. Did you ever give any written orders?—I think the first order was a written order.
- Q. To whom did you give those orders?—To Mr. Flanagan, Mr. Oliver's book-keeper.
- Q. Did you keep an exact account of the quantity of lumber that was delivered at Fort William for this hotel?—Yes; I kept an account of all that came up.
- Q. Did you measure it?—Yes; I measured it; all the lumber
- Q. Why were you particular in measuring it?—Because I had to pay 10 per cent. on the cost of the hotel, and I wanted to see there was no more in building than was right. I had to pay 10 per cent. on what the hotel cost me to finish it.
- Q. How much lumber was delivered there?—65,752 feet.
- Q. Did it include joists and flooring?—Yes; it included joists, flooring, studding and all the lumber in the building.
- Q. Did it include the laths?—No.
- Q. Did it include the shingles?—No.
- Q. It was merely the lumber account?—Yes.
- Q. Have you got an account of the quantity of stuff that was delivered? Yes; I think I have a correct account of all that was delivered.
- Q. Can you state to the Committee how much of this 65,000 feet of lumber was used in that building?—I think about 50,000 feet.
- Q. Could you tell within a thousand or two thousand feet of the quantity that was used there?—Yes; forty-five to fifty thousand feet as near as I can recollect.
- Q. Was there a quantity of material removed after you left?—Yes; there was a quantity of material left and piled up in front of the hotel when I stopped working on the building.
- Q. Do you know what became of any of that material, that is the lumber?—It was piled in front of the hotel. I believe there was some taken away. I saw about three hundred feet taken.
- Q. Who took it away?—Mr. Oliver's foreman.
- Q. Do you know that it was taken away?—Yes; it was taken away.
- Q. Where was it taken to?—To several little cottages that the Government were building farther up the road.

- Q. Is that the only amount that you knew was taken away out of that hotel ?—  
The parties that were staying with me in the house said—
- Q. Who was building these cottages ?—Oliver Davidson & Co.
- Q. On their own account ?—For the Government.
- Q. By contract ?—Yes.
- Q. Was there any of this lumber used to your knowledge for the engineer's house ?—Not of the lumber.
- Q. Did you keep an account of the number of doors that were delivered at Fort William for the hotel ?—Yes; I saw them carried from the docks to the hotel; as they were taken up I counted them.
- Q. Look at the account sent in by Oliver, Davidson & Co., and say what number is charged there ?—Forty-four doors.
- Q. Were there forty-four doors delivered by Oliver, Davidson & Co. to you at Fort William ?—Thirty-four doors is all that were delivered.
- Q. In what condition were those doors when delivered, were they complete, cramped, dressed and moulded ?—No; they were just ready to be cramped. The stiles and panels were merely put together; they were not dressed and not cramped.
- Q. How many of those doors were used in the hotel ?—Ten doors.
- Q. Do you know what became of the balance ?—I gave them in charge of Mr. Hazlewood when I left there in the fall of 1876.
- Q. Do you know how many you handed over to Mr. Hazlewood ?—The balance that were left.
- Q. Were there any taken away to the engineer's house ?—There was one taken down to the District Engineer's house.
- Q. By whom ?—By an order from Mr. Oliver.
- Q. How many doors would your plan of the hotel have required ?—About thirty.
- Q. Do you know whether any of the remaining doors were used in any place or not ?—I cannot say.
- Q. Do you know whether a door or any of the doors were used by Purcell, Ryan & Co. ?—No; there was none used by Purcell, Ryan & Co. when I was there.
- Q. Did you see the building they had erected on the docks ?—Yes; a building was erected on the docks in the spring of 1876.
- Q. Did any of the doors go to that place ?—Not when I was up there.
- Q. Were you in possession at that time ?—I was in possession until October, 1876.
- Q. Was this place erected by Purcell, Ryan & Co. previous to this ?—It was erected in the spring of 1876.
- Q. And you saw it finished ?—Yes.
- Q. Were there any of the doors on it belonging to the hotel ?—No.
- Q. What were these doors worth in the state they were delivered ?—They would be worth up there \$1.50.
- Q. Have you ever worked in a factory where such doors were made ?—Yes.
- Q. In whose factory ?—J. B. Smith's, of Toronto.
- Q. Do you know the value of doors ?—Yes.
- Q. Look at the account of Oliver, Davidson & Co.'s and say how much was charged by them for those doors ?—There are four different sizes of doors. There are doors 2x8 and 6x8, \$2.75. Those doors in the state they were, were worth about \$1.50 each.
- Q. How many of them were there ?—Twenty-five.
- Q. Look at the others and see the price charged ?—The others are about right; they were finished.
- Q. Were they delivered ?—Yes; they were delivered.
- Q. The value you have put on these doors, was it about the value at the spot where they were used ?—About \$1.50 on the spot, in the state they were in. They were not planed or cramped. They were just panel doors moulded, but the mouldings were not in them or the panels.
- Q. There are forty-three pair of sashes charged in Oliver, Davidson & Co.'s bill, were they delivered ?—Thirty-eight pairs I have marked as received.

- Q. What were they worth per pair?—They could be bought at Prince Arthur's Landing at that time for sixty cents a pair.
- Q. How much are they charged at in Oliver, Davidson & Co.'s bill?—\$1.50.
- Q. Were they worth that?—No, I should not think they were.
- Q. How many of those were used in the building?—There were about twelve pairs of sashes used.
- Q. Were any of these sashes used in any other building?—No, the sashes were not used in any other building while I was there.
- Q. What did you do with the balance of the sashes?—I left them in the building along with the doors in charge of Mr. Hazelwood.
- Q. What time did you leave the building?—On October 1st, 1876.
- Q. Look at the bill and see if there is a quantity of paint charged there, and if you can say what became of it?—There are sixteen tins of white lead charged.
- Q. Did you receive any of that?—I received it at the hotel. It came up in the "Manitoba" along with the whole of the hardware bill.
- Q. Do you know what became of that paint?—I had the contract for building a part of the District Engineer's house, and Mr. Oliver gave me an order to let his painter have the paint there; so the sixteen tins of paint were taken to the District Engineer's house.
- Q. Who was the contractor for the Engineer's house?—Oliver, Davidson & Co.
- Q. Were you the sub-contractor?—I was sub-contractor for the joiner work, brick laying and plastering.
- Q. You had nothing to do with the painting or glazing of it?—No.
- Q. Was there any of this paint used at the hotel?—Yes; there was about half a tin used.
- Q. Was there any of the oil and varnish belonging to the Neebing Hotel used in the Engineer's house?—There was some of the oil, turpentine, and varnish used in the Engineer's house.
- Q. Who gave the order for them?—Mr. Oliver gave an order to his painter to let him have it.
- Q. Were any of the shingles sent for the erection of the hotel used in the erection of the Engineer's house?—Yes; there were a few.
- Q. How many bundles?—About three bundles.
- Q. Any nails?—Yes; there were some nails.
- Q. There was a quantity of glass delivered to the Hotel Company, 223 panes, and twenty-three boxes. Was there any of that used in the hotel?—There was a part of it used in the hotel; forty-eight panes.
- Q. Was any of the glass used in the Engineer's house?—Yes; there were a few panes used in the Engineer's house.
- Q. How many?—I could not say exactly.
- Q. Did you keep an account of the quantity of glass, putty and paint that was delivered?—No; I did not keep any account of the quantity, but I recollect pretty near it. I had the account, but I lost it.
- Q. You wanted to see what the building would cost you altogether?—I got the total account of what the hardware cost.
- Q. What was the total cost of the hardware?—I got a statement from Marsh and McNabb just before I came here, and the total amount is \$280.
- Q. Do you know, was all the putty used in the hotel?—No.
- Q. Do you know what became of it?—There was part of it there when I left.
- Q. What was the quality of the lumber used in this hotel?—It was common lumber.
- Q. Was it good common lumber?—It was middling just; it was not very good.
- Q. What kind of lumber was it?—It was good enough, but it was very narrow lumber.
- Q. Was it sound?—About half of it was what we call sound lumber.
- Q. What could lumber such as that be obtained for from the South Shore or at Prince Arthur's Landing per thousand feet?—About \$11 or \$12 per thousand.

Q. Would that be good lumber or such as this?—It would be first-class lumber. About half of the bill was what we would call common lumber, and the other half was what we call culls.

Q. How much were these culls worth per thousand?—About \$8.

Q. What was the other worth?—About \$12.

Q. Had you ever any agreement with Mr. Oliver as to what this lumber was to cost you?—We talked about the price of lumber, but he would never tell me what it was to be.

Q. Is it not the roughest of lumber that goes to Prince Arthur's Landing from Ashland or the South Shore?—No; it is generally first-class lumber that goes there, because it would not pay to bring poor lumber from the South Shore.

Q. Where did they generally bring their lumber from?—I think it comes in there from Marquette.

Q. Did you ever object to the quality of lumber that was going into the hotel when speaking to Mr. Oliver?—Yes; I did.

Q. What did he say?—He said it was all right.

Q. What did you understand him to mean by "all right"?—He said the lumber was as good as the common run of lumber up there.

Q. Was the building that was erected a very substantial structure?—No; it was not; it was a very poor structure.

Q. Did you erect it under the instructions of Mr. Oliver?—Yes; entirely under his instructions.

Q. What was the size of the post or outside studding?—2 x 4.

Q. What kind of foundation did this house rest on?—On cedar posts.

Q. Were they substantially put down?—No; they were not substantial, because Mr. Oliver spoke to me in the fall of 1875. He told me not to do anything more on it; he said to stop all work, and in the spring he would put a stone foundation under the whole of it.

Q. You did put a cellar under the building?—Yes.

Q. Under the whole of it?—No.

Q. What size was the cellar?—Thirty feet square.

Q. How many toise of stone did you use?—About six toise of stone.

Q. Was it laid up with lime and sand?—No; it was laid up with blue clay.

Q. Was it stoned when you left?—No; it had partly fallen down when I left.

Q. Who was it laid up the stone; was it a mason?—No; day laborers.

Q. How many rooms were plastered?—Two rooms were plastered.

Q. What was the size of these rooms?—15 x 24.

Q. I see there are 10 barrels of lime charged; did it require ten barrels of good lime to plaster these two rooms?—Ten barrels to plaster two rooms and build a chimney 10 feet high.

Q. Was the chimney stoned when you left?—No; it was tumbling down before I left; but I took it down, as we feared it would fall down.

Q. I see there is in your account \$1,225 charged for labor; did it actually cost that?—Labor on the building?

Q. That is the labor expended on the building?—No; it did not cost that exactly, not for the actual time we were building. I took up four men with me from Toronto, and I paid them from the time we started from Toronto.

Q. Is that the usual practice?—He even did not know what sort of a country they were going to, and they were advised to go up there by me.

Q. How much was actually spent in labor—or what could you have erected that building for at that time?—I could have erected it for about \$600.

Q. Could you have got men there to work for the rate you were paying?—Yes; I could have got them cheaper.

Q. So that your account would have been \$600 less than that is?—No. It would have been about \$400 less than what it is.

Q. Are you charging your own labor in that \$600?—Yes. There was \$150 for hardware, for cash that I paid out.

Q. Look at the account and see whether the \$1,225 is not charged there for labor; was the hardware independent of that \$1,225?—I made out this bill for labor when I found out that the building was required by the Government. Mr. Flanagan the book-keeper told me I would be a fool if I did not put in a big bill.

Q. Would you have charged that exact amount to the Neebing Hotel, in order to get at a basis of your rent?—No.

Q. Had you an unsettled account with Oliver, Davidson & Co. since you came down from Prince Arthur's Landing?—I got a settlement in January, 1877.

Q. A full settlement?—I got my bill, 1,335 dollars in January, 1877.

Q. Did it leave any balance at all in dispute between you?—I claimed a share of the profit in the hotel. Mr. Oliver said there was neither profit nor interest, that the affair was a dead loss.

Q. On what ground do you claim a share of the profit?—Because I understood from Mr. Davidson when I went into the affair that we would be allowed an interest.

Q. You were a shareholder, were you not?—Yes.

Q. And it was as a shareholder of the Neebing Hotel that you claim that?—Yes.

Q. And you did not get any?—No; they told me there was none.

Q. Have you since that time made application for this balance that you considered was due?—Yes.

Q. Have they ever offered to pay you that since?—No; they never offered to pay me.

Q. And they never offered to give you anything since that time?—No.

Q. None of them?—No.

Q. Tell us what a fair cost or value of the hotel was between man and man in labor and materials, at the time you handed it over?—The honest cost of it?

Q. Yes; the honest cost of it, as between man and man?—I should think \$3,000 is a big price for it.

Q. Would you have been willing to have undertaken the construction of just such a building for \$3,000, furnishing all that you left there?—Yes.

Q. Would you be willing to undertake it for less?—No; not for less.

Q. Would that have left you a satisfactory builder's profit?—Yes.

Q. Had you any reason to believe or had you heard before the building was commenced, that the land would be required by the Government for railway purposes?—After I was started. I was working on the cellar about the time when Mr. Middleton, the engineer up there, came along and told me it seemed to be foolish to be building a hotel there when the land was reserved for railway purposes.

Q. Was he one of the railway engineers?—Yes; he was stationary engineer at the town plot.

Q. Was he next to Mr. Haslewood?—Yes.

Q. Did you report that to Mr. Oliver?—I reported that to Mr. Oliver.

Q. Did Mr. Oliver seem to be aware of that before?—He did not seem to be aware of it before.

Q. Was he surprised; what did he say?—He said if it was a Government reserve the Government would have to pay a fancy price for the building.

Q. Did he tell you to go on with it?—Yes; he told me to go on with it.

Q. Is this your report to the Company in October, 1876?—(shown to witness) Yes.

Q. Is it a correct report made by you?—I do not recollect.

Q. When you made it up did you consider it a fair account of the transaction between man and man?—Yes; this is a correct statement. Mr. Davidson wrote me, and asked me to make out a statement like that and I made it out.

Q. Were you asked to cook an account or anything of that kind, or was it a correct statement at the time you made it out?—It is not exactly correct, because at that time I wanted to make it appear better to Mr. Davidson than what it was.

Q. Mr. Davidson was one of the stockholders?—Yes.

Q. Do you know any other stockholders?—I have never known any other except Mr. Oliver, Mr. Davidson, and Mr. Vicars.

Q. Were Marsh and McMabb members of the Company?—I was not aware of it.

Q. Was Mr. Leys a member of it?—I do not know.

Q. Was Mr. Brown a member of it?—I do not know.

Q. Was that report prepared for Oliver, Davidson & Co., or for the Hotel Company?—It was prepared for the Hotel Company, I think.

Q. Had Mr. Oliver any conversation with you about it?—No; Mr. Davidson wrote to me for a statement of all the improvements of the building, and how I was getting on with it.

Q. Had you any conversation with him apart from the letter?—No.

Q. Or with Mr. Flanagan?—No; on account of that Mr. Flanagan told me not to be particular in measuring the lumber, as he was not particular about it.

Q. Where is Mr. Flanagan?—I do not know, I suppose he is at Fort William.

Q. Is it such a report as you would have made to the Hotel Company?—I did not think I was making it to the Hotel Company. I merely made it to Mr. Davidson.

Q. What do you mean in that memorandum in the last paragraph:—"Oliver, Davidson and Company for rendering their account, I have looked it over, and find it satisfactory up to date." What do you mean by that?—Mr. Flanagan asked me to go down to Oliver, Davidson & Co's., to look over the account. I looked it over at that time and found it correct. The account produced here is not the account I looked over, it was merely lumber bills.

Q. Can you tell us what the quantity was, or was it the account you have yourself described?—It was a bill of August the second.

Q. Was it a certain amount at that time?—Yes.

Q. Do you recollect what the amount was?—It was the first bill of lumber that I owed.

Q. A bill of lumber only?—Yes.

Q. Did it amount to more than 50,000 feet?—No; it was about 5,000 feet.

Q. It was before all the supplies were sent in then?—It was before any of the supplies were sent in, I think.

Q. Your account against the Neebing Hotel Co. was made out in your own handwriting?—Yes.

Q. The freight on hardware, did you pay that?—Yes.

Q. Is there anything in this labor bill that is incorrect?—There is nothing except charging the time of the men from the time they left Toronto.

Q. You were paid the whole amount of that bill?—Yes.

Q. Would you have expected that bill to form part of the cost on which you would have had to pay 10 per cent.?—No.

Q. You said Marsh & McNabb's account was \$280. It is charged here 291.15?—The total account was \$280, but there was a balance due them of \$16.

Q. Then it would make this account correct—\$291 against the Company?—Yes.

Q. Do you know whether there were three different invoices sent up?—I could not tell.

Q. You have seen the account; there is one charge here, September 16th, 1875, of \$139.90, then there is another account of \$35.45; those two accounts do not make up the 290 odd dollars. What I asked you was, were you aware that there was another account rendered to complete the balance charged by them?—I know nothing about those accounts. This was a statement I got from Marsh & McNabb as I came down now.

Q. Have you any reason to doubt the correctness of it?—I do not know. The hardware was delivered to me, but I never saw the bills.

Q. Have you any reason to doubt the correctness of their account?—No.

Q. Do you know whether they are correct?—I cannot say whether they are correct or not.

Q. Did you look over the accounts in their office to see what they were composed of?—Not all the hardware accounts.

Q. Was there any freight paid by any other person on any material?—No.

Q. Were you aware that there were \$500 damages got by the Neebing Hotel Company from the Government?—No.

Q. You never got any share of it then?—No.

Q. How much stock were you supposed to hold in this Company?—\$2,000.

Q. Out of how much?—\$10,000.

Q. How much was subscribed?—I never was aware there was any subscribed.

Q. Who first informed you of this Company?—Joseph Davidson.

Q. Did Joseph Davidson ever offer you any lots there or advise you to take up any lots?—Yes; he advised me to take up some lots at the town plot; that he did not require any money for them, but merely that I should keep them in my own name, and finally I would make \$150 or \$200 out of them, as the Government would buy them.

Q. What time did he tell you this?—In the spring of 1875.

Q. You said, in answer to Mr. Scott, that you got paid this amount of 1,300 odd dollars; was that paid to you before the Government paid the firm?—No; it was not paid to me until the fall of 1876.

Q. From the time that you got notice from the Engineer that the lots would be required by the Government, did you feel that you were really going on with that hotel for the Neebing Hotel Company, or simply for the purpose of making up a bill against the Government?—As soon as I commenced to build I was bothered with people coming along telling me that the building would never be a hotel, and I lost all interest in the affair after that. Several parties told me that the ground was reserved for railway purposes at that time.

Q. Was this before you had made much progress with the building?—Yes; first when I had started excavating the cellar.

Q. Did it seem to you that the policy of Oliver, Davidson & Co., was just making up a large bill against the Government?—I do not know.

Q. How much is the amount of that account that you claim?—\$200.

Q. Is there anything else that you claim from them, except the \$200 that they should pay?—I claim damages for the way they led me into that affair.

Q. And they did not give you any share of the damages?—No. I consider I was worse damaged than they. I took my family up there and was staying there doing nothing for sixteen months, and frightened that if I left the place I would loose all I had in it.

Q. Did you complain to Oliver, Davidson & Co.?—Yes.

Q. What answer did they give you?—They told me I was all right; I would get my claim, but just to have patience for a while.

Q. Did they tell you how you were to get paid?—Yes; they said the Government were bound to take the building, and I would get a good price for it.

Q. And their book-keeper told you not to be particular in measuring the lumber, as he was not particular, as they were going to get paid for the hotel?—Yes.

The further examination of this Witness is adjourned until to-morrow.

OTTAWA, 5th April, 1878.

JAS. D. HENDERSON reappeared and further examined as follows:—

Q. Have you examined the lumber account as sent in by Oliver, Davidson & Co. for lumber supplies to the Neebing Hotel?—Yes.

Did you find it to be the same as this?—No, not exactly, Oliver, Davidson & Co's bill for "bill stuff" that is, studdings, joists, rafters and sills, is 52,541 feet, my measurement is 75,543 feet; common boards, Oliver, Davidson & Co.'s measurement, is 19,760; my measurement is 19,000 feet; 1½ inch flooring, Oliver, Davidson & Co.'s measurement 12,012 feet; my measurement 11,000 feet; shingles, Oliver, Davidson & Co.'s account 46,000; my own 45,000; laths, Oliver, Davidson & Co.'s 920 bundles: my own is the same; 1½ plank, Oliver, Davidson & Co.'s measurement 600 feet; my own is 700 feet; battens, Oliver, Davidson & Co.'s account 300 feet, my own is the same, he has charged 15½ days for man and team; I have only got 10½ days.

Q. You still adhere to your former statement that your account is correct?—Yes.

Q. Were you vice-president of the Neebing Hotel Company?—I never was aware of being vice-president of the Company until Mr. Brown came along with some document that he received from the Dominion Government and asked me to sign it as vice-president; that was the first intimation I had of it.

Q. Did you ever attend any meetings of the Company?—In July 1876 Mr Oliver, came up to the Hotel and told me to come down to his office, that there was to be a meeting of the company there that night. I went down but there was nobody there but Mr Oliver and Mr. Flanagan his book-keeper.

Q. Was Mr. Brown there then?—He was not there then but Mr Oliver asked Mr. Flanagan where Mr. Brown was, and I heard him tell Mr. Oliver that Mr. Brown was out with Mr. Buckingham.

Q. Who is Mr. Buckingham?—He was Mr. Mackenzie's secretary, he was up in the country at the time.

Q. Was that the only meeting that you attended?—Yes.

Q. But it turned out to be no meeting?—It turned out to be no meeting.

Q. What had Mr. Buckingham to do with it?—I don't know.

Q. Where did you see Mr. Buckingham?—At Fort William, at Oliver, Davidson & Co.'s office.

Q. I did not understand you to say that Mr. Buckingham was there?—No; Mr. Brown was out with him at the time.

Q. Was he interested in any way in the meeting?—I cannot say.

Q. Had you any conversation with Mr. Oliver since you came down here to give evidence in this case?—Yes.

Q. Was it in reference to those accounts?—No.

Q. Had he any conversation with you in reference to the evidence you were to give here?—No.

Q. Had he any conversation with you at all?—Yes he had.

Q. In reference to what?—He came to me and told me he thought I was entitled to some remuneration. I had asked him before for the balance that was due me on my account, and neither Mr. Oliver nor Mr. Davidson would give in that there was any balance due to me; then he came to me last Monday and told me he thought there was a balance due me, and he said a hundred dollars was neither here nor there to him at any rate, and he handed me a hundred dollars.

Q. Did he say there was any more due to you?—No.

Q. Did he agree to give you any more?—He asked me if I would be satisfied with a hundred dollars.

Q. What did you say?—I stated I would take a hundred dollars and be thankful for getting it.

Q. Did anything further occur?—He said when he would hear my evidence he would settle matters with me in Toronto. I said you had better make a settlement for it now, and I asked him to give it to me then; and he gave me a cheque for \$100.

Q. Did he pay you by cheque?—No, he gave me the cash.

Q. Did he hold out any prospect to you of paying the other hundred dollars that you claimed?—He did not say anything about any more. He asked me if I would be satisfied with a hundred dollars, I told him I would accept a hundred, but I gave him no receipt.

Q. Did I understand you to say that Mr. Oliver said when he heard your evidence that he would settle with you?—No, Mr. Davidson told me a day or so ago that he would hear my evidence first.

Q. Before he would agree to give you anything?—Mr. Davidson did not agree to give me anything. When I met Mr. Oliver in Ottawa the first day he said he did not see why he and I should be unfriendly. I told I was not a bit unfriendly, and if there was any unfriendliness it was with himself. He said he wanted to hear my evidence first.

Q. What did he first refer to before giving his evidence or before he said he would settle with you?—I don't know I am sure.

Q. What did you understand by what he said?—I don't know what he meant by it.

Q. What did you understand?—I could not say. I did not expect the hundred dollars, I never expected it, as they told me distinctly before that, that they never intended to give me any more; so I never expected to get it when I came to Ottawa.

Q. Did you understand it in any way as being given to influence your evidence?  
—No.

Q. Has it influenced your evidence?—Not in the least.

Q. Did you write a letter to any of the Toronto papers last summer in reference to this Hotel?—Yes.

Q. Have you a copy of this letter?—Yes.

(Copy of letter produced.)

Q. When you returned from Prince Arthur's Landing you called on Mr. Davidson for a settlement?—Yes.

Q. And Mr. Davidson was of opinion that the concern did not owe you anything?  
—Yes. He told me he had received a letter from Mr. Oliver from Ingersoll, and Mr. Oliver told him to deduct 16 dollars from my account, and he would not pay me that. He said I owed the amount for hardware to Marsh and McNabb, although I never knew the firm.

Q. So there was a difference between you?—Yes.

Q. And led to an unfriendly feeling?—I was pretty angry with him at the time.

Q. You rushed to the *Mail* and exposed him as an evidence of your good feeling?—I wrote this letter to the *Mail*.

Q. I understood you to say you got 1,300 odd dollars out of the Hotel?—Yes.

Q. They paid you that?—Yes.

Q. I understood you to state in your evidence that you thought that amount was rather an extravagant calculation?—I did.

Q. Then on what principle did you think they owed you?—I was not aware of the bill that Oliver, Davidson & Co. had put into the Government until I saw it afterwards in the papers.

Q. Yes, but it was your bill that was put in?—Yes, and Oliver, Davidson & Co.'s. When I saw the whole amount that was got from the Government, I thought I was entitled to a share of it as well as Oliver, Davidson & Co.

Q. In making this calculation of lumber did you base it on this report made to the Neebing Hotel Co. on the 26th October 1875?—No.

Q. Was anything got from Oliver, Davidson & Co. after the 26th October after this report was sent in?—I could not say, I am sure, I don't recollect.

Q. I understood you to say that this was merely an account up to date of this report. What time did you leave the building?—Sometime the first of October 1876.

Q. That would be a year after this paper was prepared?—Yes.

Q. In that 12 months was there nothing further got from Oliver, Davidson & Co. than what appears in that account? Were you a whole year there without getting anything further from them?—There was nothing further come up after I was told to stop work by Oliver, Davidson & Co., and that was in October a year before I left the building.

Q. As a stock holder in the company did you consider you were entitled to any share of the profits connected with the Hotel?—Yes, I thought had a right to same share as the rest.

Q. Did you put in anything more than the labour account that you put in for your stock?—I subscribed all the cash that was put into the concern.

Q. Outside of that account did you put in any cash?—No.

Q. Did you get any part of the 500 dollars damages which Oliver, Davidson & Co. collected from the Government?—No, not until I got it here.

Q. Nor any part of the hundred dollars interest that was collected from the Government?—No.

Q. And what you got from them in addition to your labor was the hundred dollars which you got here the other day?—Yes, all.

Q. Do you think you would ever have got that hundred dollars if you had not come down here and given evidence?—I never expected it.

Q. Did they give you explanation why they paid you the hundred dollars?—No. He simply said that a hundred dollars was neither here was there to them, and he handed it over to me.

Q. Did he say any thing whatever about the remaining hundred dollars?—No.

Q. Was is not to be paid in Toronto?—Before he gave me the hundred dollars he said he would settle with me in Toronto. I claimed 200 dollars but he said he would settle with me in Toronto, but after that he gave me the hundred dollars, here.

Q. Did he make any remark to you about your evidence before the committee?—No, he did not.

Q. Is Mr. Davidson the only member of the firm who spoke to you about your evidence?—He is the only member.

Q. Did you speak to Mr. Oliver about the evidence he gave when he said you did some of the priming in the Engineers houses?—No.

Q. You heard his evidence?—Yes.

Q. Is it true that you did some of the priming in the Engineer's house?—It is not. I never did any of it, it was not in my contract.

Q. You did not refer to his evidence at all?—No.

And further deponent saith not.

JAMES DUFF HENDERSON.

JOSEPH DAVIDSON, called and sworn, was examined as follows :

Q. Where do you reside?—At Toronto.

Q. Are you a member of the firm of Oliver, Davidson & Co.?—Yes.

Q. When Mr. Henderson returned from Prince Arthur's Landing after leaving the Hotel, did he call on you for a settlement?—Yes, he called at my place.

Q. And what occurred?—He said there was 300 dollars coming to him. I wrote to Mr. Oliver about it. He sent me a cheque for 300 dollars payable to Mr. Henderson here in full of his account, and stated at the same time that there was a \$16 order at Marsh & McNabb, that I was to keep out of it. Mr. Henderson was then going to erect a building on Church or Wood Street and wanted to get a large amount of lumber from me. The bill was in the office at the time, and I told him I could not trust him unless he gave me a mortgage on the property. He said he would take the papers down to Mr. Ley's office and give me a mortgage on it, but he never did so. I paid him \$200 in cash and \$84 in lumber and kept the balance \$16 which I afterwards paid in to Marsh & McNabb. That made up the cheque of \$300.

Q. Was he satisfied with that?—Yes, perfectly satisfied.

Q. Did he subsequently call on you for a further amount?—Yes. His brother was dealing in Toronto and failed, and I was a heavy loser by him. Mr. Henderson told me he was going into partnership with his brother when he came back, and I would not trust him.

Q. Did he make a further demand upon you?—He sent his wife up to my office just before this letter, which he has produced appeared in the "Mail" to ask for this \$16, and said unless he was paid he should publish this letter in the "Mail" and expose everything. I told him I had nothing to keep back; hence this letter and my reply.

Q. And this letter was in consequence of your refusal to pay this \$16 to him that you paid to Marsh & McNab?—Yes.

Q. What terms have you been on since that time?—We have not spoken until I met him here on the street. There was nothing that passed between us on the street, but what Mr. Oliver was present at.

Q. Have you read Mr. Clarke's evidence before this committee?—I have seen it in the papers, and I read it over here.

Q. You bought some property from him in 1874?—Mr. Leys and I bought some property jointly from him: that is, from John Clarke.

Q. Mr. Clarke says he sold four lots to you and Mr. Leys in November 1874?—He was questioned as follows:

Q. "Did Mr. Davidson give any reason for purchasing there, after the sale?—Yes, he said he knew the terminus was to be there. It was not generally shown whether it was to be there or at Prince Arthur's Landing.

Q. "But he said the terminus was going to be there?—Yes.

Q. "Did he tell you how he knew it was going to be there?—Yes.

Q. "What did he say?—He said he got his information from Mr. Mackenzie.

Q. "Information that the terminus was to be there?—Yes.

Q. "Did he say at what place Mr. Mackenzie told him?—I remarked, I thought it was not likely Mr. Mackenzie would write to him about the terminus; and he said Mr. Mackenzie was in Toronto and had told him that. To satisfy myself—because I rather doubted it—I made inquiries and found Mr. Mackenzie was in Toronto at the time.

Q. "That was at what time?—The latter part of November, 1874.

Q. "Did Mr. Davidson show you any map that he had of the railway reserve there?—He did. He came in and showed me a map. It was colored the same as the plan exhibit "A."

Q. "Did he say where he got this map?—He said he got it from Ottawa."

Q. This is the evidence given by Mr. Clarke before this committee, I want to know whether you ever had any conversation with Mr. Clarke in 1874, at the time you purchased this land or at any time after with reference to any information you might have got as to the location of the terminus on the Pacific Railway?—No. Mr. Clarke is a stock-broker, and he and I have had several transactions which I am sorry to say, I have been the looser in by "3 A" mining stock. He was bothering me to take those lots from him. He was a man who would scarcely be trusted in Toronto for a pound a candle, and he was pressing me for months before to take those lots from him. He said they would be very valuable, as the newspapers were continually talking about the surveys, and one thing and another; and it was generally supposed that the Railway terminus would be somewhere in that neighbourhood.

Q. He told you that?—Yes. So I consulted with Mr. Leys, as we operated on joint accounts in those speculations; and finally decided to take them.

Q. What time was this?—It was in or about middle November 1874. I did not look up the deeds, but I suppose it would be in November. The purchase would be made prior to that, because there is always a little time in putting through the titles, at all events it was in the fall of that year. I think the bargain would be made about the 10th and the title passed about the 19th or 20th November.

Q. Had you at that time,—or any period before it—had any conversation with Mr. Mackenzie or any other member of the Government on the subject of the Pacific Railway?—I now swear positively that I never had any information from Mr. Mackenzie, or any member of Mr. Mackenzie's Government; or any surveyor or any of the employees under his Government respecting the terminus of the Pacific Railway.

Q. You swear that positively?—I swear it positively.

Q. Had you any information conveyed to you from a plan or map or from any of the departments, at Ottawa, or any subordinate office of the Pacific Railway?—I swear positively I had not the least information from any one in the civil service or any clerk at Ottawa; or from Mr. Mackenzie.

Q. Had you at anytime any personal correspondence or personal communication with Mr. Mackenzie or any member of the Government on the subject of the terminus?—No.

Q. Your swear positively?—I swear positively.

Q. Do you remember seeing Mr. Mackenzie in the fall of that year at Toronto

In 1874 I did not see Mr. Mackenzie at all. The only time I recollect seeing Mr. Mackenzie was at the Queen's Hotel, when Mr. Turner's election was coming on. There was a deputation of Mr. Turner's friends waited on Mr. Mackenzie in the Hotel.

Q. Who were with you at the time?—There were Mr. Howland, Mr. Leys I think, and 15, or 20 other Toronto people. I think that was in the fall of 1875. Because I know I was taken down with typhoid fever and could not take part in the elections.

Q. Was that the only occasion—when this deputation waited on Mr. Mackenzie—that you saw and conversed with him?—That is the only time I conversed with Mr. Mackenzie except just prior to the general election, when the late Government went out.

Q. Are you prepared to swear that the statements made by Mr. Clarke are wholly untrue?—I do positively, without any hesitation whatever.

Q. Do you swear that there is any foundation whatever on which such evidence could be based?—I swear there is not the slightest.

Q. Did you lead Mr. Clarke to believe either by your mode of doing business with him directly or indirectly that you had information from Mr. Mackenzie or from any member of the Government?—Never. The only intimation I had of it was this winter, when I suppose this investigation was coming on, Mr. Clarke met me opposite the "Leader" office and he said to me, "do you remember ever telling me some years ago that you had information from the Government about the terminus being at Fort William?" I said "No"; Well, said he, "Senator Aikins has been asking me that, and I told him that you said so, and I expect I will have to go down to Ottawa and swear to it before a committee." "Well," said I, "Mr. Clarke, if you do you will have to go to the remainder of your life with a lie attached to you."

Q. Had you at the time that you bought those lots any plan from which you were able to judge of the properties that were likely to be taken?—I had not. I got a plan from the Crown Lands Department in the winter or spring of 1875. Mr. Leys first found it out, he is my solicitor, and we bought lands jointly.

Q. When did you first know positively that this land was selected?—The first information I had of it was when Mr. Leys informed me and when I saw the plan. Then I had nothing positive except what I had in the plan I got from the office, and what I heard from the public press.

Q. Which office?—The Crown Lands office, Sales department.

Q. Do you know the date at which you received that plan?—I got it from the office sometime in the spring or winter of 1875. Mr. Clarke says it was in November, if you read his evidence.

Q. Have you got the plan you received from the Crown Lands Department?—Mr. Leys has a copy. It was taken from the plan that they say was filed in that office on the 12th December.

Q. Could you give the date at which you got the plan?—It was in January or February. It may have been in March, 1875, because sometimes I do not go to the Crown Lands office once in three months.

Q. You also bought some lands from Mr. Savigny?—Mr. Savigny had some lands which he sold to Mr. Allister Clark. Mr. Savigny wanted to sell those lands to me before he sold them to Mr. Clark.

Q. Was he acting as agent?—I think he had an interest in them. He wanted to sell them to me a few months before he sold to Clark, and told me that he was an engineer, and knew that country well. He was sure that the terminus would be there, or at least it ought to be there.

Q. Did he put a value on them in consequence of that?—He was asking me somewhere between sixty and seventy dollars a lot. He sold them afterwards to Mr. Clark for fifty dollars a lot, and I bought them afterwards from Mr. Clark.

Q. When you bought them was Mr. Savigny acting as Mr. Clark's agent, or did you buy direct from Clark?—I bought from Mr. Clark. I understood that Mr. Savigny had sold them to him previous to my purchase.

Q. Did you know Mr. Savigny's office in Toronto?—Yes.

Q. Did you know it well?—Yes. It is opposite Clark's office.

Q. Did you ever inform Mr. Savigny that you had any private information, or official information in reference to the terminus of the Pacific Railway?—I showed Mr. Savigny this map after I got it in 1875; it was public then to any body, as it was registered at Toronto, but I did not tell where I got it.

Q. The following questions were asked Mr. Savigny when he gave his evidence here:—

“ Q. Did you ask Mr. Davidson where he got the plan?—Yes, of course I did.

“ I thought it very curious that he should have it.

“ Q. How did he explain that he came in possession of it?—He said he got it from the very best authority, that it was perfectly authentic.

“ Q. Did he show it to you as being a thing that every one could see, or was it confidential?—No; he said it was confidential.

“ Q. Did he show it to any body else?—He showed it to John Clarke, at least “ Clarke told me so. I cannot say of my own knowledge.”

A. I showed it to half a dozen about the same time as Savigny saw it. I showed it to Mr. Leys first, because he was interested with me on joint account, and Mr. Leys first gave me the information. He was there looking up the titles of some lots, and they gave him notice at the Crown Lands office that there were no more lots for sale until they saw what was wanted for the Pacific Railway.

Q. Did you tell Mr. Savigny where you got this map?—No; I did not tell him.

Q. Did you lead him to believe that you got it from some source that was open only to yourself?—I do not think I told him anything about it. We were gassing each other. He had land at Prince Arthur's Landing—an interest in one or two hundred acres, and Savigny and Shortis were using their influence to have the terminus there. We were gassing about it, and I cannot remember what I said.

Q. When did you first take an interest in lands on Lake Superior?—About 1871 or 1872. I bought at Sault Ste. Marie in 1874, in connection with Mr. Leys, about twenty-one hundred acres. My interest is eight hundred acres.

Q. What did you buy at the Sault for?—I bought there expecting the terminus of the Pacific Railway would be there. I also bought on the opposite side, expecting another railway would come there.

Q. How much did you invest at the Sault?—Between twelve or fourteen thousand dollars—nearer fourteen thousand. Then I bought at Nipigon.

Q. Where did you next buy?—At Prince Arthur's Landing, I think.

Q. What year was that?—In 1871 or 1872. The Government had a sale there, and we bought pretty freely at that time. Then I bought lands near to Prince Arthur's Landing.

Q. What amount have you invested in the neighborhood of Prince Arthur's Landing—exclusive of the Kaministiquia lands?—At Prince Arthur's Landing and east of it in MacTavish, and west of the Landing and as near to it as to the Fort, I think I have five thousand acres.

Q. What was your principal attraction there? Was it the Pacific Railway?—I bought a limit first from Archie Thompson, a limit that was given out by the Indian Department here, and we took up a mill—Mr. Oliver and myself.

Q. That was at the Kaministiquia?—Yes.

Q. I am asking about Prince Arthur's Landing?—I bought there with the expectation of a railway being some time on the north shore of Lake Superior. I bought at Fort William because I know that the late Government had surveyed a line there in the exact place where the present line is located.

Q. What year was that?—1871 or 1872.

Q. Was it about the time that Mr. Murdoch surveyed there for the terminus?—He was surveying there that summer. I would not be sure about dates.

Q. Had you been aware at the time you made that purchase that the survey had been going on with the view to the selection of this particular point for the terminus?—Yes. That was why I bought, and it was the same line as the late Government

surveyed. The only difference was that they came down to Prince Arthur's Landing through the town plot or near the town plot.

Q. At a subsequent period were you lead to believe that the terminus was to be at some other point, and that Fort William and Prince Arthur's Landing had been abandoned?—In 1874 I had fully made up my mind as far as I could learn by the press and otherwise, that it was going to Nipigon, and that is why I bought there.

Q. Where did you buy in Nipigon?—Right at the dock.

Q. What amount did you invest in there?—In about a thousand acres.

Q. Would you ever have bought there except under the belief that the terminus was going to be there?—Certainly not.

Q. Then in the fall of 1874 in your mind Nipigon was the point to be selected?—

Q. It was looking that way from what I saw in the newspapers.

Q. How much did you pay for that land?—One dollar an acre. Mr. Leys is in that with me.

Q. Was it you that negotiated the sale of the lands that were sold by your firm to the Prince Arthur's Landing Railway Company?—Yes. I negotiated that thing altogether—at least as far as putting the titles through. Mr. Oliver and Mr. Marks had arranged for five lots in number six, the summer previous.

Q. What summer would that be?—In 1876, I think. And had also arranged for getting through two farm lots, numbers three and four, two park lots belonging to myself and Mr. Oliver, and three of the lots through number six belonging to Oliver, Davidson and Company, and two lots, one belonging to myself, and one to Mr. Peter J. Brown, and I sold eighty-two hundredths of an acre of property belonging to Mrs. Davidson which Mr. Brown or Mr. Oliver had not the slightest interest in. It was patented to Mrs. Davidson and she gave the agreement of sale, and I got at the rate of fourteen hundred dollars per acre for it.

Q. That is in the town plot?—Yes.

Q. Mr. Marks, in giving his evidence the other day, stated that the sale of those lands was one transaction, that it was a bulk sum that was paid, and that there was no value placed on the individual portions?—They had not the slightest connection. Neither Mr. Oliver, nor Mr. Brown, nor Mr. Leys had anything more to do with that eighty-two hundredths of an acre than you had.

Q. In negotiating the sale was that value put on the several separate lots?—Lot number 3 in the 2nd concession of Neebing was eighteen dollars per acre. Lot four was the same price. The park lots were forty dollars an acre, and the three lots in number six, eighty dollars a lot. The two lots belonging to Mr. Brown and myself eighty dollars each; and the eighty-two hundredths of an acre. The price for each was separate and distinct, and separate deeds will be given because the title is in different parties, although for convenience there was only one contract, and the whole purchase money was paid to me and I divided it among the several owners according to their respective interests.

Q. Have you the original memorandum of agreements?—Yes.

(Original memorandum produced.)

Mr. Oliver made the negotiations with Mr. Marks the fall before for the property belonging to Oliver, Davidson & Company. Then they were bothering me about this eighty-two hundredths of an acre, and it kept the sale from being closed for nearly six months.

Q. Were the values of the several pieces of land discussed each on its own basis?—Yes; each on its own basis. Here is what Mr. Leys got for his, and here is the cheque for it, which mentions what it was for—his interest in lot number three. It was forty-six dollars and forty-seven cents for the lot; and Mr. Leys, for his interest, got a cheque for sixteen dollars.

Q. What I want to know is whether in your negotiations with Mr. Marks the lots were charged for separately, and discussed separately?—Yes; I felt angry at Mr. Oliver for selling the Company's lots at such a low figure, as I had an interest in them. I thought we did not get enough for the park lots, and the other lots that was lots on number six, but the eighty-six hundredths of an acre was a separate sale.

The money came directly to Mrs. Davidson, and had no connection with the others in the slightest degree.

Q. By whom were the sales made chiefly at Prince Arthur's Landing before the lots were taken for the terminus?—I made a good many sales.

Q. Who is the member of the firm that was charged specially with the sale of that?—I sold a good many, Mr. Brown sold some, Mr. Oliver sold some. The titles were all in me, and I made the titles. I sold by public auction lot 22 to Mr. Elwes for \$430 and he paid me \$420. Then I sold to George Henderson, a brother of the last witness, south side of Fredericka Street, for \$270.

Q. When was that?—That was in the spring of 1875.

Q. Was that sale at Toronto or Fort William?—At Toronto, at the auction sale. But all the lots that I sold at Fort William lying in the same position as the lots that the Dominion Government reserved, and invariably got more than I got from the Government.

Q. Do you know any thing of the values that were put on the McKellar farm?—I know the McKellar farm very well. I have been up there and spent a considerable time up there. I understand it is bringing very high prices.

Q. But you don't know personally?—I am well acquainted with McKellar. When he is down bringing goods we talk those matters over. He told me that he had sold quite a large portion of his front.

Q. At what rate was it, higher or lower than the sales you made?—I think they were higher—That is the front lots.

Q. When was this that he put the value on it?—At different times.

Q. Had you any conversation with him in 1876?—He is down every year buying goods, and he comes sometimes and visits with me. He stated it in 1876.

Q. Have you any recollection of the value he put on property then?—I would not be sure as I did not charge my mind with it, but I know the prices were pretty high and he was very well pleased with what he was getting.

Q. Was it since the location of the Railway there?—Yes. But the McKellar farm was a long farm, it goes down to the river, and the back end of it is low. The lot is very narrow, with about a quarter of a mile frontage on the river.

Q. How far does the high land go back?—There is not much high land back, it is nearly a dead level.

Q. But it rises back from the river for same distance?—Yes, but it recedes very little, being almost a dead level.

Q. What distance is the creek from the Kaministiquia, across from the farm?—It is about a mile or a mile and a half.

Q. Does the McVicar farm joint the McKellar farm?—I think it does.

Q. Has it a wider front?—I am not sure.

Q. Does the Hudson Bay property joint the McVicar property?—Yes, I think it does. I got less from the Government for Mrs. Davidson's lots than any body else. There were lots 9, 10 and 13 South Fredericka street I only got \$200 a piece for, when the rest were getting \$250.

Q. What had you invested at the Kaministiquia?—Witness: Speaking of my own interest or that of the firm?

Q. Of the firm?—The firm has about \$100,000.

Q. What are your investments apart from the firm?—My private investments in Algoma are from \$50,000 to \$60,000, including what I have in the firm.

Q. Do you know anything about the management of the business up there, and the supplies that were furnished for the construction of the Neebing Hotel?—Mr. Oliver had the management. I have not been up there since 1874, but I have every confidence in Mr. Oliver's integrity and honesty in measuring lumber.

Q. What do you know about the hardware bill?—I brought a copy of it here with me. There is a discrepancy in some of the evidence about the accounts, and there was a missing invoice which I have supplied. The whole amount I paid for hardware is \$296.35. The account is \$291.

Q. Then Marsh & McNabb owes you \$5?—Yes.

Q. Have you paid Marsh & McNabb's account in full?—Yes, I have paid them all and it is correct. I have a copy which I got from the assignee. The firm has failed since. Mr. Henderson gave the order in his own handwriting.

Q. Have you got the order?—No, I have not got it now.

Q. Had Mr. Henderson to furnish the hardware under his agreement?—The details in the agreement were made between Mr. Olliver and Mr. Henderson at Fort William.

Q. Had Mr. Henderson under that agreement to furnish the hardware?—I could not say.

Q. I suppose he sent an order down for it, requiring it, as the builder of the hotel?—Yes, it was for the hotel, there could have been no doubt about that.

Q. When did you first become aware that the Government had fyled the plan of the lots they proposed to take for the terminus at Fort William?—It would be in the spring or winter of 1875.

Q. You swear it was from Mr. Leys you first got the information?—To the best of my belief Mr. Leys first told me, but I swear positively I got it out of the Crown Lands Department Office in the spring or winter of 1875.

Q. The information, or the plan?—To the best of my knowledge Mr. Leys gave me the information; perhaps he would be more clear about it than I am.

Q. Was it after that you got the plan or before?—After I heard of course. It is not a plan, it is a little sketch with a little red strip showing round the river, where the government reserve for the railway was; there are no streets marked out back of the red shade.

Q. What time did you buy Allister Clarke's lots?—They were bought about the time that John Clarke's lots were bought, but the title did not go through until some time after that. There was some difficulty about it and it was some time in going through. I should think the time I made the bargain would be about the time I bought Mr. Clarke's before, about the 10th or 12th November, 1874. The deeds I think, passed through later.

Q. Do you not think that it was on the date you concluded that purchase, that you told John Clark and Savigny?—How could I when they say I had the map, and the map was not registered until the 12th December.

Q. But you might have had the map before it was registered?—But I swear positively I had not.

Q. Are you quite sure that it was not on the date you concluded that purchase that you told Mr. Clarke and Mr. Savigny you had information that the terminus was to be at the town plot?—No, I did not tell them I had such information when I bought the lots.

Q. You bought the lots about the 12th November?—It was about that time.

Q. What became of the original plan that you showed to them?—I could not tell what became of it. I did not place any value upon it after it was published to every body.

Q. Hon. Mr. Scott asked you the amount of your investments in the town plot and Neebing?—It would be hard for me to answer that. I have interests outside of Oliver, Davidson & Co. of my own and with Mr. Leys.

Q. State the amount of all your interest there, directly or indirectly, in partnership and through your wife?—It would be hard to tell that. I think my interest in that country would be perhaps 17,000 acres.

Q. Taking the aggregate of your firm's interest and your own interest: what is your interest in the town plot and Neebing? what amount have you invested?—It would be very hard to say, the firm had about 28 or 30 lots in the town plot which the Government took.

Q. What information did you receive from Mr. Leys?—That there was a map fyled in the Crown Lands Department in Toronto prohibiting the sale of lots where the Canada Pacific Railway would require them: in other words they would not sell any lots inside of that red mark on the plan.

Q. You mean that he informed you that the plan showing the terminus of the

Railway to be fixed on the town plot was on file at the Crown Lands office. Yes, that is the way I said it; and it was in the winter or spring of 1875. I was told since it was registered at Prince Arthur's Landing about the same time.

Q. Was Mr. Leys the highest authority you had the information from?—He was the first. I had no other information except from him.

Q. In speaking of the purchase by the Prince Arthur's Landing Railway Company and the division of property into separate portions, were there several proprietors that had to be dealt with?—Yes, there were.

Q. How is it that the agreement conveying the property to the Company should be made simply by you and your wife if you did not own the land?—We were in the habit of deeding a large portion of the property of the Company in my name. And the reason why I deeded land in my wife's name was in order not to mix the titles. Mr. Marks and Mr. Oliver the fall previous bargained for Oliver, Davidson & Co.'s property but the title was in me, and I never go back on anything my partners agree upon, I always carry out. The \$1,400 an acre for the 82,100ths of an acre is a separate thing, and no one except Mrs. Davidson had a cent interest in it. (Deed of agreement being shown to witness, he recognises the signature of himself and his wife.)

Q. Who was the solicitor for the Prince Arthur's Landing Railway Company?—Mr. Roaf I think.

Q. You stated that the title was in yours and your wife's name of all those lands?—I am not so clear whether No. 4 was not deeded to Mr. Oliver or not. The title would be all in me except lot No. 4. I might sign for Mr. Oliver as well as myself. Mr. Oliver very often sells property, while the title is in me. But he had nothing to do with the 82-100ths of an acre that was sold.

Q. Was not this division made at your suggestion—was it not a lump sum you were to be paid for these lots?—Not a bit of it, the price was arranged the fall previous for all the lots except Mrs. Davidson's the following spring, they were bothering me about closing up the agreement for Mrs. Davidson.

Q. Between whom was this agreement made?—Between Mr. Oliver and Mr. Marks.

Q. Were you present?—No. But I had a letter to that effect from Mr. Oliver the fall previous.

Q. Mr. Marks has given in evidence that it was a lump sum that was paid for the whole?—Mr. Marks knows as well as Mr. Leys that the company had nothing whatever to do with the land of Mrs. Davidson.

Q. Have you produced the cheques?—I produced Mr. Leys cheque. He had a  $\frac{1}{2}$  interest in what is taken out of No. 3 in the second concession, which comes to a little less than \$16. Oliver, Davidson & Co.'s money was deposited in the Federal Bank.

Q. How many were in with you in those town lots at Fort William that the Government subsequently required?—There are 5 persons, Mr. Leys, Mr. Oliver, Peter J. Brown, Mr. Wells of Ingersoll, Mr. Davidson and myself.

Q. Were those the only persons that were interested with you in the lands that were taken by the Government at the town plot?—Yes.

Q. Who is Mr. Wells?—He is a partner of Mr. Brown's and I understand that Mr. Brown and Mr. Wells own  $\frac{1}{2}$  interest in Olliver, Davidson's & Co.'s property.

Q. Is that the Mr. Wells who is chairman of the U. E. Club?—I understand he is a member of the U. E. Club and was, I think, chairman of the Liberal Conservative Association for South Oxford. I could not tell you what interest Mrs. Brown had, but she had no interest with me.

Q. Where there any others interested but those?—I think not. I am speaking from memory.

Q. Did the titles of all those rest in you?—It is pretty hard for a man having 20, or 30,000 acres of land to remember all those things. I want to tell the truth, and nothing but the truth.

Q. You swear that there were no other persons interested in that land which

the Government took but those?—I can't swear just now. To the best of my knowledge I think there were not. As far as I know there was M. Oliver, Mr. Brown, Mr. Wells, Mrs. Davidson, Mr. Leys, Mrs. Leys and myself.

Q. You will not swear that there were not any others interested?—No. But I will swear that I don't know any other.

Q. Would you not likely have heard it if there were?—I think I would.

Q. Did you make the title of all those lands to the Government?—They were decided by the parties who had the title in them.

Q. Mrs. Davidson appears as having received a certain sum of money from the Government, did she receive it or did you receive it?—To the best of my knowledge it was made out in Mrs. Davidson's name. She signed to me and I drew the money, that is, the money for those 3 lots the titles of which were in Mrs. Davidson. My wife's lots are in her own name.

Q. From whom did she purchase them?—From the Government of Ontario. As far as titles and conveyances are concerned I never bothered my head about them. I trusted that to my solicitor.

Q. Was that hardware account which you furnished this morning included in those papers which were sent down to the Government?—I cannot say. There was a discrepancy in the hardware account of eighty-two dollars. That invoice was somewhat less than the one which I now produce. I am sure I paid the money. The details of the Neebing Hotel Company I do not know anything about, as I have not been up there since 1874; but I know this, that the bill I produce now is correct, because I paid the money myself.

Q. In the epitome of the Neebing Hotel Company accounts, a sum of two hundred and ninety-one dollars is stated as representing McNabb & Marsh's hardware account. When we come to the accounts we find that one is two hundred and twenty-two dollars and the other sixty-nine dollars, showing that it would take something more than those two accounts to make up this amount in the epitome. Now, I ask you what was the gross amount you paid McNab & Marsh for furnishing the Neebing Hotel Company with hardware?—I paid two hundred and fifty dollars on the 10th February, 1876, and on the 17th March I paid thirty dollars; then I paid this sixteen dollars and thirty-five cents difference.

Q. To whom did you furnish this hardware account in making up the sum total of this Neebing Hotel account?—I took the bill, when the order came down from Fort William, over to McNab & Marsh and told them to ship it to Fort William Hotel Company. When they wanted money and pressed me for it, I got it from the stockholders of the Company, or somewhere, and paid them the full amount of two hundred and ninety-six dollars and thirty-five cents.

Q. Did the money paid by the Government for the Neebing Hotel pass through your hands?—I believe it did. I think so. Of course I deposited it to the credit of the Company.

Q. Can you speak positively as to whether you received it or not?—I could not say positively; but I think on second thought I did not, but I am not sure.

Q. Had you any thing to do with the dividing of that amount among the parties interested?—No; nothing at all. I never got any. I had stock in it, but I never got a cent but my own money back.

Q. How much did you pay on your stock?—I paid fifty dollars; Mr. McNab paid one hundred dollars, and Mr. Vicars paid one hundred dollars.

Q.—Are you a partner in the firm of Oliver, Davidson and company?—Yes.

Q. Mr. Oliver said that the five hundred dollars that were received for damages was kept for the firm.

Q. Did you get your share of that?—I have never had any dividends yet from our lumbering operations up there.

Q. This is not a lumbering operation?—I presume the money was deposited in the bank to Oliver, Davidson and Company's credit.

Q. And through their books you would get your share of the six hundred dollars—five hundred damages and one hundred dollars interest?—I presume so, if I

was entitled to it. So far as the stock is concerned I simply got a cheque back for fifty dollars without any interest. I suppose the balance will be in the hands of the Company.

Q. Then you got your share of that?—Of course.

Q. Did Mr. Oliver say anything to you about this payment of a hundred dollars to Mr. Henderson within the last week?—I left here on Friday night at 10 o'clock and got home to Toronto the next day. Mr. Oliver left here on Monday and he got up to Toronto on the noon train on Tuesday. He said that Mr. Henderson had claimed something for damages for the Hotel and that he had ordered Mr. White to give him a hundred dollars.

Q. Who is Mr. White?—He is a man I never saw until I got down here. He lives in Strathroy, I believe.

Q. Were you not aware of the issue of the cheque for \$300, as settlement in full for Mr. Henderson's account?—Mr. Oliver made out the cheque and sent it to me.

Q. How can you explain his having paid Mr. Henderson a hundred dollars since he came here, when according to your statement there was nothing due to him?—I don't know Mr. Oliver's mind.

Q. Did he give you any explanation why he made that payment?—He said he thought Mr. Henderson ought to have something for the damages to the Hotel, and that he had given him a hundred dollars; and that is all I know about it.

Q. But Mr. Henderson had claimed the damages long before Mr. Oliver, and you said he had nothing coming to him?—Don't couple me with Mr. Oliver in this matter, because I had nothing to do with it.

Q. But if a hundred dollars is paid by any member of the firm you ought to know something about it?—He did not explain to me. I met him at the depot as he was going west on the noon train, but I had not time to talk with him, he told me Mr. Henderson felt sorry and that he ought to have had that hundred dollars, and he had paid it to him.

Q. Did Mr. Henderson know before this came out in evidence, that there was this \$500 damages paid?—I don't know.

Q. The cheque for \$300 that you gave him was expressed upon the *face of it*, that it was in full of Mr. Henderson's account?—Yes; to the best of my knowledge it did.

Q. So in fact you had already a discharge from Mr. Henderson in full for it?—

Yes.

Q. Do you swear that such a cheque was issued and paid?—I do most positively.

Q. And notwithstanding that discharge in full, you paid him a hundred dollars while he was about to give his evidence here?—I did not.

Q. Well, Oliver, Davidson & Co. did?—Oliver did or rather White did for him.

Q. And you know it was paid by order of Mr. Oliver.—Mr. Oliver told me so.

And the further examination of this witness is continued until to-morrow.

On this sixth day of April re-appeared the said witness whose examination was continued as follows:

Q. You said yesterday that the quantity of land taken for the Prince Arthur's Landing Railway from Mrs. Davidson was 82-100ths of an acre?—Yes.

Q. Are you sure that that was the quantity taken?—I am, within an eighth of an acre, or as near as possible.

Q. Have you added up the quantities?—Yes, I went over the quantities carefully. There may be a little discrepancy, but that is as near as possible.

Q. Is that a correct copy of the quantities? (copy shown witness.)—I could not say that, but Mr. Leys has a copy of it here.

Q. How many lots were affected?—Speaking from memory I should say eleven or twelve.

Q. Would it go through thirteen?—I think it was eleven or twelve, and it was thirty or thirty-three feet wide. Some lots it only took a little off.

Q. If it had taken eight tenths of an acre from one or two lots would it have damaged Mrs. Davidson's property as much as it did by affecting the number of lots which it passes through?—I do not think it damaged her lots as much as what the

Dominion Government took, because those lots shut us off from the river entirely, and put her lots back.

Q. If that eight-tenths of an acre had been in a block would it have damaged Mrs. Davidson's property as much as by cutting through thirteen lots?—I do not consider the railway very much damage to her property, because it often comes in handy as a switch for a coal yard or a lumber yard to have a track already made.

Q. Did you make up the figures as to the quantity yourself?—The figures I got from Mr. Leys or Mr. Roaf, and I copied them into a book myself.

Q. So that you do not know whether the figures are correct or not?—I know they are very near correct.

Q. Have you got that book with you now?—No, it is at home.

Q. If Mr. Leys said they were more would he be correct?—I do not know.

Q. Could you point out on the map the property that was taken if I give you the numbers of the lots. (Witness points out the lots on the plan.) What is the size of those lots?—Half acre lots.

Q. Does the railway damage this block in passing through it, more than if they had taken two lots?—If it was to be a large city, where there would be coal yards and lumber yards, the railway would be no damage.

Q. Which way would the coal come? How would it get to that railway?—I suppose it would come up the river and be shunted off on to that switch and it would be very handy.

Q. But that switch has no connection with the railway?—I understand that it is to be connected; that is what it was built for.

Q. How many had you sold before you became aware that the terminus was fixed at the town plot, and prior to getting official notice of it?—I never had any official notice.

Q. But prior to the time the Neebing Hotel Company were told that the lots would be required?—That would be hard to tell, there have been so many sold.

Q. How many lots did you sell from January 1874 until the time the land was taken for the railway?—We sold one to Mr. Ellsworth for \$430, at public auction, and he paid us \$420 cash for it.

Q. Did you sell three lots, or how many did you sell?—In the reserve, do you mean.

Q. Yes?—I will count up as near as I can from memory. The prices were all more than we got from the Dominion Government. I cannot tell you from memory, but I could get you a list of the sales.

Q. Was the lot you sold to Stevenson sold by private sale?—Yes, I think so.

Q. What was the consideration?—About \$250.

Q. Was the consideration named in the deeds always the sum you received?—Yes, as far as I know on all the lots sold in the reserve.

Q. And there was no rebate on any lot that you sold?—None that I know of.

Q. Do you know anything of the sale that was made to Mr. Hazlewood?—Yes.

Q. How many lots were sold to him?—Ten or twelve.

Q. In the reserve?—No, outside.

Q. Did you not sell any to him in the reserve?—We sold ten lots to him on the eighteenth of May 1876—all in number six.

Q. Do you know anything about the sale that was made to him by Mr. Oliver of lots in the reserve?—No, Mr. Oliver sold it, and I don't know anything about it.

Q. Did the consideration which he paid for the lot in the reserve include the lots you sold to him on lot number six?—No.

Q. Have you any cause to question the honesty of the sale to Mr. Hazlewood?—No.

Q. Was there any discrepancy between the consideration mentioned in the deed of the lots sold to Mr. Hazlewood in number six and the amount which he actually paid?—Yes, they were put into the deed at \$100, and we got only \$40 for them.

Q. How far are they back from the terminus?—I could not say how far.

Q. Can you give any reason why one hundred dollars was the consideration put

into the deed, when forty dollars was all that was paid?—I cannot understand why it was. I always understood the price was forty dollars.

Q. Do you believe that the amount specified in the deed of the lot sold in the reserve was the amount paid?—I have no reason to disbelieve it.

Q. Do you believe it was or was not?—I think if there had been any rebate I would have known it. I do not want to swear to a thing that I am not positive of.

Q. Were these lots sold by your firm, or by yourself individually, to any other person than Mr. Hazlewood outside of the town plot in which there was a discrepancy between the consideration mentioned in the deeds and the amounts paid?—I don't think there was, but in this one case of Mr. Hazlewood's. It was on the 18th day of May 1876 I sold those lots.

Q. Was that before the valuator went up there?—I think they were up there in 1876.

Q. If the valuator, when they went up there found a number of lots outside the town plot, on number six, were sold at a hundred dollars a lot, would not that increase the value of the lots in their opinion?—You must understand this: that those lots of Mr. Hazlewood's would be a quarter of a mile back from the river, and I would be very glad to give you some more lots there to-day for the same price. I can also state that the sale to Elwes for \$420, and to Duckworth and to Henderson were all *bond fide* sales.

Q. You remember about Mr. Savigny saying that you brought a map into his office showing the reserve for the Pacific Railway terminus and he marked it on his map from this?—Yes.

Q. Did you see him do that?—Yes. I saw him doing it at the time. I showed the map to him and he took a pencil and marked it out on his own map.

Q. Do you remember when the Blackwood sale took place?—Yes.

Q. Can you tell me how long it was before that you showed Mr. Savigny the map?—It must have been in the spring or winter of 1875.

Q. When did the sale take place?—I think it was somewhere about the 12th May.

Q. And that is the interval between the time you showed the map and the sale?—I am positive of it.

And further deponent saith not.

JOSEPH DAVIDSON.

OTTAWA, 6th April.

JOHN LEYS, called and sworn, was examined as follows:

Q. Where do you reside?—Toronto.

Q. What is your occupation?—Barrister.

Q. Are you interested in the Fort William property?—I am interested in some of the Fort William property.

Q. Some that has been appropriated by the Crown?—Yes.

Q. When did you first make purchases in the Lake Superior country?—In 1855 and 1856 I bought at Superior City near Duluth. I induced a friend to go there from Toronto to locate lands at Superior City.

Q. When did you first buy on the Canada side?—I first bought I think in 1869.

Q. Where were your purchases?—I bought in 1869-70-71 in the neighborhood of Prince Arthur's Landing.

Q. Up to how late did you buy about Prince Arthur's Landing?—I think in 1872.

Q. Were you then under the impression that the Pacific was to terminate at Prince Arthur's Landing?—I thought from the fact of it being the terminus of the Dawson route that it would possibly be there.

Q. When did you first commence making investments at Fort William?—I bought in the township of Neebing in 1872—possibly in 1871.

Q. When, in Fort William?—I bought first in Fort William, I think in 1873.

Q. Did you hold on your own account there, or is it with Davidson?—I held some lots on my own account and had some belonging to my wife; some on joint account with Mr. Davidson; and one lot, I think, on joint account with Mr. Oliver and Mr. Davidson.

Q. But you have no interest whatever in Oliver, Davidson & Co.?—No.

Q. Did you buy at any other point on Lake Superior?—I bought in January, I think, 1874, a large property at Sault Ste. Marie.

Q. What was your idea in doing that?—There was a great deal of talk at that time about the Pacific Railway and the impression was that under Sir Hugh Allan's scheme it would cross at the Sault, and the Sault would probably become a large place. We bought the old McNabb property there, in which I have a  $\frac{1}{2}$  interest, Mr. Davidson,  $\frac{1}{4}$  interest, and Mr. Laird,  $\frac{1}{4}$  interest.

Q. What did you pay for that?—\$13,000. Shortly afterwards, I bought about a thousand acres adjoining it, in which Mr. Davidson has a  $\frac{1}{2}$  interest.

Q. When you gave up the hope of that being the terminus, where did you next strike the Pacific Railway?—At the same time as that, I was very strongly advised by Captain James Dick to purchase at Nepigon. He gave me a map showing me the position of Nepigon on the lake. He gave me his idea of it as a harbour in comparison with the other harbours on Lake Superior, he had an idea that the terminus would be there.

Q. Had the survey been made then?—They were surveying all over the country at that time. After that, I went to the Crown Lands Department, in Toronto, to see what lots there were there that could be taken up, and to see what lots had been taken up. I found John Shedden who I know was a very intimate friend of Sir Hugh Allan's, had taken up some lands there. I found that my friend, Senator Aikins had applied for some, and a gentleman named Stratton in the Inland Revenue Department, who I understood was a nephew of Senator Aikins, had applied for some; I have since learned that Stratton afterwards assigned to Aikins, so I thought it would be a very desirable spot to have a hand in.

Hon. Mr. Aikins—Mr. Stratton is not my nephew.

Q. Did you get the lots?—I got some.

Q. Having failed in all those directions, did you attempt to get a railway constructed yourself at any particular point?—Yes, in 1874 I was instrumental with some other gentlemen in obtaining a charter for the Great North West Railway Co., which was running from a point at Thunder Bay on Lake Superior to Winnipeg. Associated in that with me was: Mr. Howland, Mr. Thompson, Mr. Marks, Mr. Oliver, Mr. Brown, Mr. King, Mr. Davidson, Mr. Cook, Mr. Williams, Mr. Hay, Mr. Gordon and myself. We concluded if the Railway would run direct there would be a branch from the head of Lake Superior to connect with it.

Q. What was your proposed terminus?—It is fixed by the charter at Fort William.

Q. Are you aware of the particular point contemplated, was it on the present terminus?—It would have been on the river at Fort William.

Q. Are you solicitor for Mr. Davidson?—I am.

Q. In character of solicitor can you explain the purchases made by the Prince Arthur's Landing Railway Co., and the basis upon which the valuations had been arrived at? Who is the solicitor on the other side?—Mr. Roaf.

Q. Have you Mr. Roaf's draft of the agreement with you?—Yes, I have.

(Document produced.)

Q. The agreements state "It is hereby agreed between the parties hereto that the respective considerations to be expressed in the respective deeds for the said lands shall be as follows:—For the lands firstly mentioned four hundred dollars." Whose lands were they?—These were five lots that had been sold by Mr. Oliver, or bargained for with Mr. Marks on lot six, adjoining the Pacific Railway.

Q. It also says:—"For the secondly mentioned property the sum of eleven hundred and sixty dollars," whose property was that?—That was the portion belonging to Mrs. Davidson, running through the town plot.

Q. It also says:—"And for the thirdly mentioned property the sum of one hundred and twenty-six dollars." What property was that?—That was through the two park lots 15 and 16 and two farm lots.

Q. Was it understood between you and Mr. Roaf that those figures faithfully represented the money paid to the parties?—There was never any question as to the price that was to be paid for the five lots on Gore Street; there never was any dispute as to the price that was to be paid through the park lots, nor was there any dispute as to the price to be paid through the farm lots, but when Mr. Marks wrote down to Mr. Dawson to ask what he was prepared to offer for right of way through Mr. Davidson's lots and through the town plot, his answer was very ambiguous. My construction of it was that he proposed to pay \$160 for right of way through each lot; Mr. Roaf's idea was that it was \$160 for the quantity making up a lot or \$360 an acre. At one time Mr. Davidson proposed to take lands from them for the right of way for the line through Mrs. Davidson's land. The negotiation spread over some months; I think from January until June, and ultimately Mrs. Davidson agreed to accept this price for the right of way through the town plot. Then these amounts all added together made up the total sum mentioned in this agreement. The reason why the agreement was not drawn in separate parts as to each particular lot was a matter of convenience. Mr. Davidson was very particular about having all the parties interested giving him authority to sign this agreement; and before he would sign it he insisted upon Mr. Brown giving him written authority to sign for Mrs. Brown's lot, that was done, and he signed it.

Q. The one prepared by Mr. Roaf?—Yes, and I gave him authority as far as my interest in farm lot number three was concerned, but the prices for the separate parcels were all agreed upon separately. Of course it made a bulk sum when it was all added together.

Q. Have you had any experience with regard to the expropriation of lands for railway purposes? Has your attention ever been called to the provisions of the Railway Act of 1868?—I am solicitor for the Toronto & Nipissing Railway Company. I carried out the purchase for the right of way over the whole road, and, of course, I had occasion to examine the Railway Act. In buying lands for railway purposes, my construction of the Act was that where we took the whole of a man's lot there was no set off against the then value. I may say we had only one arbitration on the whole line of railway. We agreed amicably with every body except a man named Gillopie. We offered him, I think, something about a thousand dollars, but after paying costs, I think, he got about one hundred and fifty dollars. I don't pretend to give exact figures. The idea we had of it was that when the whole of a man's lot was taken, there was no set off, it was the then value of the land on the line that had to be paid. If the balance of a man's lot was enhanced in value by the railway, then, of course, we would consider that.

Q. If you took more land than thirty-three yards wide—except where there were slopes and ground for station houses where you had only a right to take 150 yards wide and 250 yards long, what did you do. Beyond that quantity you were obliged to bargain for it outside the Act?—At that time we could not take a gravel pit, and we paid some exorbitant prices for them, as we had no power to take them. We afterwards got the charter amended on that account.

Q. If you took more land after amendment of your charter did you consider that you could set off the increased value of lands caused by the building of the Railway against the price of it?—No.

Q. Do you know if there have been cases decided confirming that view?—Yes, there is a case of the Canada Southern R. R. Co. where they took lands under the Act of 1871, they had a right to take additional lands by filing a plan and obtaining an order under the act. When they came to take those lands—at Amherstburg I think it was they wanted the arbitrators to take into consideration the increased value of the balance of the man's lot, but the court held that they had no right to do so; that they were to take the then price.

Q. What was that case?—The Canada Southern R. R. Co. vs. Norval Cunningham *et al.*, 41 Queen's Bench, page 95.

Q. Was that under the provisions of the General Railway Act or under a special charter?—Under the General Railway Act and under the powers in their special Act.

Q. Had you any conversation with Mr. Davidson in reference to the Fort William terminus which would lead him to any conclusion as to the first time he heard it was absolutely selected?—We had a great many conversations.

Q. As you were mutually interested in property there, any point of importance, I suppose, was discussed between you. Do you know when he first learned of the selection of Fort William as the terminus?—It was in the winter of 1874-5

Q. Was it after the first of January?—I do not think there is any doubt but what it was.

Q. Were you interested in this purchase he made from Clark?—I was. I was interested in the purchase from John Clark, and also in the purchase from Allister Clark.

Q. Have you read over Mr. Davidson's testimony, John Clark's evidence, and Mr. Savigny's evidence in reference to that?—I have.

Q. Do you know the plan referred to in that testimony?—I do, I now produce a copy of it. It is a copy I got two or three days ago.

Q. Do you know when this plan was first filed in the Crown Lands Office?—I only know positively by having asked at the office the other day.

Q. What was the date told you?—It was dated the 12th of December 1874. It was received in the Department on the 14th of December 1874.

Q. Was it you or Mr. Davidson that saw the plan the first at the Department?—I believe it was I.

Q. What led you to that conclusion?—I was in the Crown Lands Department and was told by some one in the department that this plan had come up from Ottawa. I saw Mr. Davidson immediately afterwards and told him about it.

Q. When you told him did he evince any surprise?—He said he would go at once and get a copy of it.

Q. Did he speak of it as if he had known it before?—No. He is a very impetuous man and seemed very jubilant that the terminus was likely to be fixed there.

Q. In his conversation did he lead you to believe that that was the first time he had heard of it?—Yes. We were interested together in 1873, and had an understanding that any land we bought either in Toronto, or Lake Superior that we should benefit on joint account. Or rather if either of us bought, the other should have an opportunity of saying whether he would take any interest in it or not. So that I have no doubt in my own mind,—but of course it might be otherwise,—that was the first time he had heard of it.

Q. If he had heard of it before would he have told you?—He would of course. Though he might have had half a dozen plans before that, but I don't believe he had.

Q. Was it a copy of that plan that was referred to in the evidence of Mr. Clarke and Mr. Savigny?—I don't know. I know nothing that took place between Mr. Davidson and Mr. Clarke. I know Mr. Davidson showed me a plan he got from the Crown Lands Department after I told him.

Q. Was that subsequent to the purchase of these lands?—Long after. The deed from Mr. Clarke to us is dated 21st November 1874. I think the agreement was made three or four days before the deed was actually passed. The lots of Mr. Allister Clarke in which Mr. Davidson was interested were bought about the first of December. I know there was considerable difficulty in getting evidence as to the dower, and that deed, I see by reference to the department, was dated 16th December 1874.

Q. Are you interested with Mr. Davidson in his Manitoba lands?—No. It is too far away for me. I don't like the idea of speculating so far away from home.

Q. I think you said that that was a copy of the map, that Mr. Davidson had from the Department. (Map produced).—It is a copy of what I believe he had a copy of from the Department. It is similar in design and everything.

Q. You could not swear that he had not the map before that?—Certainly not.

He might have had 50 maps, but considering that I had a right to a half interest in everything he bought under our arrangements, it was a very unlikely thing he would have a map without my knowing of it.

Q. Your opinion is, that where a railway passes through property like the town plot at Fort William for instance, and the whole of the lot is taken, that the Railway Act of 1868 would not apply?—There is no doubt of it.

Q. Would it apply to Oliver, Davidson & Co., who had other lots in the town plot, and other lots outside in the Neebing also?—I do not know that the valuers could consider what lots a man had outside. I think that Act would apply to lot No. 6 of Oliver, Davidson & Co., so far as the quantity limited by that Act.

Q. Did it apply in that case?—I cannot say. I fancy from what I heard there was a very much larger account than 150 yards by 250 yards taken, the quantity limited by the Act of 1868. I do not know as to the quantity taken. I never was up there. The 9th clause of the Railway Act of 1868 provides.

“The land which may be taken without the consent of the proprietor thereof shall not exceed 33 yards in breadth, except in places where the Railway is raised more than 5 feet higher, or continued more than 5 feet deeper than the surface of line, or where off-sets are established, or where stations, depots or fixtures are intended to be erected, or goods to be delivered, and then not more than 250 yards in length by 150 yards in breadth, without the consent of the person authorized to convey such lands; and the places at which such extra breadth is to be taken shall be shown on the map or plan, or plans or sections, so far as the same may be then ascertained, but their not being so shewn shall not prevent such extra breadth from being taken, provided it be taken upon the line shewn or within the distance aforesaid from such line.”

Q. Are you aware of any discrepancy between the consideration mentioned in the deed, and the amount that was actually paid?—I do not know outside of the sale to Mr. Elwes, of one case in which the price inserted in the deed was higher than the price actually paid. The price he agreed to pay was \$430, half cash and the balance in three months, but he paid all cash and I threw off ten dollars.

Q. Were the sales in the town plot all *bona fide* sales?—Yes.

And further deponent saith not.

JOHN LEYS.

OTTAWA, April 9th, 1876.

THOMAS D. TAYLOR, called and sworn, was examined as follows:

Q. Where do you reside?—At Richmond, Ont.

Q. What is your occupation?—Civil Engineer.

Q. Have you seen the Neebing Hotel at Fort William?—Yes.

Q. Do you know what quantity of lumber is in that building?—Yes.

Q. Did you measure it?—Yes.

Q. State to the Committee what quantity of lumber there was in it?—Forty-nine thousand six hundred and twenty-seven feet.

Q. What does it comprise?—Lumber in framing, board measure, studding, partitions, joists, plates, sills, roof, flooring, inside and outside sheeting, and wood shed.

Q. That would be all the wood except laths and shingles?—Yes.

Q. When did you make the measurement?—I measured it on the 26th August last.

Q. Were you very particular in the measurement?—I was particular. A gentleman, a friend of mine in Prince Arthur's Landing, measured it for me first, as I was in a hurry to get away by the boat. But in order to check him I went and measured it next day myself, and his figures and mine came within a few feet of each other.

Q. What is the quality of the lumber in the building?—I would say cull lumber. I tried it and I could not put my hand on a good piece of board, it had either knots or stocks, with the exception of the flooring; it was not good enough for flooring, but it was ordinary lumber.

Q. Your measurement is of the material which is used in the construction of the building?—Yes.

Q. Was there any other there, in piles?—I could not say, I did not see any the day I was there. I was in the habit of being there almost weekly and daily. I had charge of the section above it.

Q. Were you in the building?—Yes, often.

Q. Did you see any doors or window sashes piled up there?—Yes.

Q. What was your particular object in going to measure this building?—Just from curiosity.

Q. You had no personal interest in the building?—No, I was living near the place and coming down here. I went to measure it out of curiosity. The reason was this, that it was so much talked of, and my own feelings were, that it was a shame to have it there; there was so much said about it that I thought I would measure it.

Q. Would you expect to find the same amount of lumber measure in the building as there was actually delivered for it, would there not be a considerable amount of waste in the construction?—Of course there would be waste, but I do not know of anything but what was in the building.

Q. Were those cull boards that you saw used in the covering, or were they intended to be covered with sheeting?—I don't think so.

Q. Did they finish buildings in that region with rough boards?—No, certainly not.

Q. Did you make any memorandum of the number of doors or quantity of sash?—Yes, I got 28 squares of shingles on the roof, 280 square lath and plasterings, 14 doors, 13 windows with glass and 16 without glass.

Q. Were all those doors in their place?—No. There were, I think, six or seven doors hanging, and the rest were used for screening off the kitchen.

Q. In putting up a building of this kind, what proportion of the lumber would be wasted?—I have had no experience in building houses, but from my judgment I should say there was very little if any, left, because in some parts of the house where there would be the rough end of the board it was left on without squaring it off.

Q. In the sheeting?—Yes. In the corners.

Q. Do you remember the size of the sashes that were there?—No, I was leaving by boat, and I was in a hurry.

Q. Were you requested to measure the lumber by any one?—No. I would not have considered it unprofessional if I had been asked to do so at the time, because I had been discharged by the Government from my section.

Q. Why were you discharged by the Government?—I really don't know. The reason assigned was because my work was finished.

Q. Was the section of which you had charge completed?—No.

Q. Was it nearly completed?—Yes.

Q. That section of which you had charge was under contract of Sifton & Ward?—Yes. The contract had passed out of their hands.

Q. Who succeeded you as Engineer in charge?—Mr. Ireland.

Q. Was not Mr. Tetu appointed there?—Mr. Hazelwood promised that I was to be moved to English River, and I heard subsequently that Mr. Tetu had been appointed there.

Q. Have you an estimate of the value of the material in the building?—Yes.

Q. What does it amount to?—I have put high prices. 7,200 feet of flooring at \$18 a thousand, \$129.60. 42,427 of all kinds, at \$10 a thousand, \$424.27. 28 squares of shingles at \$3.00, \$84.00. 280 squares plastering at 15 cents, one coat, \$42.00. 14 doors at \$3.00, \$42.00. 13 windows with glass at \$2.75, \$35.75. 16 windows without

glass at \$1.50, \$24.00, total \$781.62; to which add \$600.00 for labor, making in all \$1,381.62.

Q. But that would not include hardware, nails, hinges and locks?—No. Of course I could not get out that at all at these prices were of course my own.

Q. Did you take any notice of the cellar?—I did.

Q. Did you consider these prices liberal?—I did.

Q. Have you a knowledge of the value of such materials?—I had. Because the Engineer's house at the Kaministiquia crossing of the road was built under my supervision and I saw all the prices of the lumber that was put into that. The Neebing Hotel amounts to nothing, as the posts are of no account. They were no depth in the ground.

Q. How did you ascertain?—I tried it: "the cellar was 30x25 built of stone and clay, it is no use at all as the wall is caving in, and the frost has heaved the building, and the floors will have to be taken out, and the building made firm by a stone foundation." These are my private notes.

Q. How deep do you think the cellar was?—I am a tall man myself, and I was able to stand in it by stooping a little. I should say six feet.

And further deponent saith not.

T. D. TAYLOR.

OTTAWA, April 12th.

HUGH RYAN, called and sworn, was examined as follows:—

Q. Are you a contractor for one of the sections of the Pacific Railway?—Yes.

Q. Has your firm an office at Fort William, on the dock?—Yes, we have.

Q. Where did you get the doors and windows that are in it?—We took some of them from the Neebing Hotel.

Q. On what authority?—I don't know that we had any special authority for taking them. I was not there the day they were taken, but I know they were used.

Q. Were they accounted for?—Yes.

Q. To whom?—To Mr. Hazlewood.

Q. Were they deducted from any moneys coming to you from the Government?—Yes.

Q. Were they paid for by your firm to the Government?—Yes.

Q. At what price were they paid for?—I know we considered them very high at the time. They were only the sash unglazed, and one door.

Q. Do you recollect what was paid for them?—About four dollars for the door, and a dollar and a half or two dollars for the sash. I know I was there at the time Mr. Hazlewood made the deduction from our account. I objected to it at the time, on the ground that it was too dear.

Q. Have you had any experience in freighting up the river?—Yes, we have freighted up our supplies.

Q. In what vessel?—In steamers and a schooner.

Q. Was the schooner towed up?—Yes.

Q. What was her draught?—About ten and a half feet. She was a full sized Wolland Canal schooner. She was towed up and sailed back out of the river.

And further deponent saith not.

HUGH RYAN.

WILLIAM KINGSFORD, C. E., called and sworn, was examined as follows:—

Q. Where do you reside?—In Ottawa at present.

Q. What is your occupation?—Civil Engineer. I am engineer in charge of harbors, the St. Lawrence and lakes, extending from the lower Gulf to Lake Superior.

Q. How many years experience have you had in your profession?—I have been six years in the Department, and I have had many years experience—about forty years.

Q. Have you made a survey of the Kaministiquia River?—Yes. The survey was made by my staff. I now produce a map of the survey made in 1876 on a scale of 100 feet to the inch.

Q. What is the distance from the mouth of the Kaministiquia to the railway terminus?—Three and sixty-two-hundredths miles. All our surveys are reduced to the lowest stage of the water.

Q. What is the average depth of the water?—I beg leave to suggest that I read the report which I made to the Department on the sixth of April 1877. It is as follows:—

“ OTTAWA, 6th April, 1877.

“ SIR,—I have the honor to report on the survey of the River Kaministiquia and “ the work which was performed in 1876.

“ The survey and examination made under my instructions by Mr. Michaud, of “ my staff, included the shoal at the entrance of the River 3,500 feet across and the “ river proper extending to the Pacific Railway station for a distance of 3.62 miles, “ preliminary to dredging operations to be carried on during the season 1876.

“ The River Kaministiquia possesses the advantage of forming an excellent “ harbor for shipping, offering perfect protection against all winds.

“ It presents a marked parallelism to the rivers which have led to the commer- “ cial 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 drawback to its general excellence is the shoal extending directly across “ its mouth, 3,500 feet in length.

“ The river itself may be divided into 3 sections. It is deepest at the Pacific “ station and shallowest at its mouth, where it is less than 13 ft generally, with an “ intermediate distance having between 13 and 15 feet depth.

“ From the entrance to a short distance above Fort William, the river generally “ is 10 to 11 feet deep on its whole width, spots of greater depth intervening.

“ The present design is to obtain a navigation 13 feet deep at lowest water, and “ hence in order to obtain this depth, dredging will be required along the river for “ 1,600 feet to the west of Fort William. The river there is generally from 13 to 15 “ feet in depth till we arrive at what is called the first river. Sufficient depth is then “ found to the Pacific Terminus wharf, the river varying from 15 to 18 feet. The “ distance from the mouth of the river to the Pacific wharf is 3.62 miles.

“ 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.

“ Contracts for dredging were called for by public advertisement, and on the “ award being made, the work was commenced on 24th July and continued till 14th “ October. The total amount of 21,570 yards has been excavated at a cost of “ \$8,050.55.

“ The amount of the Parliamentary appropriations was \$6,000 on its expendi- “ ture, the dredging was continued at the reduced price of \$9 per hour, the original “ contrat price having been \$15, per hour.

“ One cut was taken entirely through the shoal, obtaining a width of about 22 “ feet.

“ The second cut was worked from both ends as the weather dictated, 800 feet “ being excavated on the east and 1,000 feet on the west, leaving 1,700 feet yet to be “ excavated of the second cut.

“ If the channel be limited to 45 feet, much difficulty will be experienced by “ vessels entering. The south-east winds are frequently troublesome and unless “ sufficient width be given for a vessel navigating the new channel, there is constant “ danger of grounding. No width under 66 feet, say 3 cuts of a dredge, will be even “ approximately safe.

" In fair weather the 44 feet entrance is even barely sufficient, when the channel  
" is properly buoyed.

" 45 feet in the river will be satisfactory if properly buoyed.

" To attain navigation of 13 feet depth, the river proper requires to be dredged  
" at points extending over 3,850 feet, and unless this work be performed by the  
" Department, there is no apparent source whence money can be obtained to carry  
" it on.

" If the channel be not deepened, vessels which pass through the excavated  
" channel will ground in the shallower water of the river.

" The amount of dredging required to complete the cut through the shoal 60  
" feet wide is 24,000 yards, and there are 16,000 yards of dredging required in the  
" river, making a total of 40,000 yards.

" If the contractors continue the work at the present price, \$9.00 an hour, the  
" cost of this work may be set down at \$10,000 (ten thousand dollars).

I have the honor to be Sir,

Your obedient servant,

(Signed)

WILLIAM KINGSFORD,

*Engineer in charge.*"

F. BRAUN, Esq., Secretary,  
Public Works Department.  
&c., &c., &c.,

Q. Your estimate for the completion of this improvement is ten thousand dollars?—Yes; to a width of forty-four feet and thirteen feet in depth, but that is utterly insufficient for the final condition of the river. The navigation from Buffalo to Lake Superior may be set down as a depth of sixteen feet. You will require eighteen feet in the harbor, nineteen feet in the lake, and seventeen feet in open water. The cutting through the shoal at the mouth of the river extend over three thousand five hundred feet, and it must be dredged to a depth of eighteen feet.

Q. What is your proposed depth for the Kaministiquia at present?—At this moment, owing to the economy that is prevailing, I am ordered to give a depth of only thirteen feet.

Q. Have you made an estimate of the cost it will involve to give you a depth of thirteen feet?—It cost ten thousand dollars last season.

Q. What was the depth last season?—Thirteen feet where the dredging has been done. Vessels which draw thirteen feet go through. The work is now going on and it is not yet completed. We have only been at it two seasons.

Q. Does the channel fill up at all?—All artificially excavated channels must fill up to a certain extent. When you change the channel of a river to an abnormal condition, it has to be periodically dredged. There is no channel of any sort but will fill up to a certain extent. But it requires a large generalization to draw conclusions from facts. I do not suppose the channel will keep open of itself, but it will more or less fill in, and have to be kept open by periodical dredging. We have no facts of any extent to guide us with regard to the Kaministiquia in this respect.

Q. Could you give us any information as to the percentage of cost for the dredging that will be required to keep up that depth?—Those questions are all very well on paper, but no practical man who has a reputation to lose will estimate the cost of dredging a place like that annually; I should say on a rough estimate a couple of months dredging every year would keep a channel of one hundred and fifty feet open. I received a report to-day on the harbor of Bayfield. It was dredged some time ago to ten feet, and my assistant reports that it varies from nine feet nine-tenths to nine feet two-tenths. In some places it has filled up eight inches—some places

more and some places nothing. Every channel has its peculiarities, and I would not contradict without a knowledge of the facts what might be said of any channel.

Q. Does not the shoal at the mouth of the Kaministiquia indicate a very considerable deposit having been brought down by that river?—Yes; but that shoal has been there millions of years for all we know. We can calculate little upon that fact. There is nothing so treacherous as water; but this is a work that any engineer would face. I do not think that any crib work is required there. The tendency of matter is to attract matter. At Chicago, for instance, they placed crib work to get rid of a shoal, but they had another shoal formed around it, in consequence of the tendency of this physical principle. The tendency of all matter which is held in solution in a stream of water is to precipitate, and is attracted by other matter. I would not put any crib work on the Kaministiquia shoal to protect the channel from deposits, but to protect it from the wind and keep the harbor quiet. But that course is not necessary.

Q. What is the width on the shoal?—I have a plan of the shoal which I now submit to the Committee, and I have also card models of propellers to the same scale which I will place on the map to show the relative proportions of the stream to the largest lake vessels that may visit it. I had been ordered to Sorel the other day after being called as a witness on this committee, and I was very much struck in going to the Richelieu with the similarity that exists at Sorel between it and the Kaministiquia.

Q. Have you ever made any estimate of the traffic that can be done on this river?—It is inexhaustible.

Q. What is the size of the shoal at Kaministiquia?—Three thousand five hundred feet.

Q. In your report you say that the harbor is very rough in the bend—do you mean at the wharves?—Yes. I think you have to guard against periodical storms on Lake Superior which some day will tell a very serious tale.

Q. But in this particular harbor of Prince Arthur's Landing, have vessels ever suffered from wind storms?—I have no personal knowledge of the fact.

Q. Which can be made an efficient harbor at the least expense, and be equal to the ordinary traffic that may be anticipated in that section?—I hold that Prince Arthur's Landing should be eighteen feet in depth. If it is conceded that it should be eighteen feet permanently, you make your crib eighteen feet, and you dredge only as the necessities of the harbor require. My estimate for Prince Arthur's Landing is six hundred and forty-three thousand dollars for a harbor of eighteen feet and permanent work; but if you only made it fifteen feet, it would be four hundred and forty thousand dollars. If you made a large harbor with a depth of only fifteen feet it would cost three hundred and ninety thousand dollars. If you made a smaller harbor eighteen feet deep it would be \$282,000. You must make the Kaministiquia eighteen feet deep on the bar and 17 feet in the river. We have laid off a winding basin at the junction three hundred feet wide and twelve hundred feet long. It is included in my estimate. By making the river seventeen feet deep, one hundred feet wide, and two hundred feet wide through the bar, the cost of dredging would be eighty-one thousand, seven hundred dollars. To make it only one hundred feet across the bar, it would be sixty-four thousand dollars.

Q. And what depth?—Eighteen feet across the bar and seventeen feet in the river. But for a channel throughout 100 feet wide and 17 feet deep the estimate is \$64,000. Of course periodically it would have to be dredged to keep it open. As a rule the cost of dredging for a season, including wages, keep full all repairs, and wear and tear is \$7,400.

Q. For how many months of the year will dredging be required?—I cannot say, but \$7,500 would be the whole cost for a full season for one dredge.

(The witness here pointed out the several designs made by him on the map of Prince Arthur's Landing and the dredging necessary to be performed in River Kaministiquia and the bar.)

Q. Did you make any estimate for railway docks at the Kaministiquia?—It is not my work.

Q. What is the depth at the extreme end of the proposed dock at Prince Arthur's Landing?—18 feet.

Q. In your opinion how do the two harbours compare, supposing the expenditures you have described were made on them?—I consider the Kaministiquia is just the same as the harbour at Chicago or Milwaukee.

Q. How does the stream at Milwaukee compare with the Kaministiquia, is it as wide?—It is not so wide. Moreover, all the lots run down to the river. I directed the attention of the minister to the necessity of reserving a strip of land along the river for the purpose of quays. Such as, exists at Paris, on the Thames Embankment or the Arno at Florence. There are two streams, one at the Mission, and one at Mackellar's Creek, which branch off with an independent flow of water. Were these closed with a wier, so that water could get a passage through them and not stagnate, they possess sufficient capacity for wharves for a large city. In Chicago the lots run to the river and there are no quays all the way, and Chicago, therefore, labours under the same inconvenience. The Minister of Public Works has taken steps to rescue a strip of land along the front of the Kaministiquia about 100 feet wide, and if the hopes of the hour are realized it will be one of the most splendid promenades in the world.

Q. But Chicago and Milwaukee, in building their harbours, had no option; they had only these rivers and creeks on which to build a harbour. There was no natural shelter such as Thunder Bay affords at either place?—No. But the winds which come from Thunder Bay from about 90 degrees of the horizon make it as much exposed, and as difficult to guard against as it is in Chicago.

Q. Do prevailing winds come from the north-west side?—Prevailing winds on all the lakes come from the west. But a south-west destroyed works of ours at Port Albert. There was a dry piece of land there on which I put some piling, thinking it would stand for centuries, but it was all swept away by a south-west blow.

Q. But that south-west blow came the whole width of the lake?—Yes. But this piece of land had been there before Port Albert was known. I might state that nearly all the gales on those lakes come from the north-west.

WILLIAM KINGSFORD.

OTTAWA, 16th April.

W. H. CARPENTER, called and sworn was examined as follows:

Q. Where do you reside?—Kincairdine.

Q. Have you been at Fort William?—Yes.

Q. When?—I have been there every year since 1874.

Q. Do you know the Mackellar property on the Kaministiquia River?—I do.

Q. Had you ever in contemplation the purchase of any part of it?—Yes. In 1875 I wanted to build a store house and dwelling house on the river, and I asked Mr. Mackellar what price he would take for it, and he mentionned 50 to 70 dollars per foot, and some places 100 dollars a foot frontage on the river front.

Q. What depth were the lots?—From the river to the road, I think somewhere about 70 feet.

Q. What rate per acre would that be?—I do not know.

Q. What was the size of the lot?—In my estimation it was somewhere about 2,000 dollars an acre. The price was so ridiculous that I stopped at once.

Q. Did you tell him you proposed to put up a building?—Yes.

Q. What time in 1875 was this?—I think in July or August.

Q. Was any person else with you proposing to buy?—Yes, Mr. Beath, the manager of the Ontario Bank, was with me; we were talking of buying together and building some dwelling houses along the river if we could buy at a reasonable price. We thought we could probably make some money out of it.

Q. Were you both together?—Yes. But we abandoned the scheme at once when we found the charges were so ridiculous we could do nothing with it. Lots back from the river he asked 250 to 400 dollars for.

Q. How far back?—On the other side of the road, which would be a hundred feet from the river at least

Q. What size were these lots?—One fifth of an acre.

Q. That was over a thousand dollars an acre?—Yes.

Q. Have you been over the back part of the farm, or do you know its height above the water?—I do not know much about the back part of the farm.

Q. Do you know the breadth of the front of it?—I do not.

Q. In 1875, when you asked to purchase this lot from Mr. Mackellar, was it known that the terminus was located at Fort William?—It was not decided exactly then. It was not generally known whether it was to be on Mr. Mackellar's plot or on the town plot, but the suppositions were, it was to be on either one or the other.

Q. Do you know that Mr. Mackellar had a right to sell that lot or that it belonged to him at all?—I never examined his title in the registry office, as I did not buy.

Q. Are you aware that there is a chain reserve on both banks of the river belonging to the Government?—I was not, and I am not aware of it now.

Q. What is the distance to the road from the river?—I cannot say. The road is back from the river quite a little.

Q. Did Mr. Mackellar profess to own this property?—Yes.

Q. Do you suppose he would assume the ownership of the property if he did not own it?—No.

Q. He would have sold it to you at the price he named?—Yes. From the way he spoke I should judge so.

And further deponent saith not.

WM. H. CARPENTER.

OTTAWA, 16th April, 1878.

JOHN WHITE called and sworn, was examined as follows:—

Q. Where do you reside?—At Mitchell, Ontario.

Q. Were you in Ottawa at the end of last month?—I was.

Q. Do you know of any conversation that occurred between Mr. Henderson and yourself with reference to this hundred dollars that is spoken of as being paid him by Mr. Oliver?—Upon the 29th or 30th March Mr. Henderson stopped me on the street and asked me if I was a friend of Mr. Oliver's; I said "I was;" he went on to tell me about some old account that he (Mr. Henderson) had forgotten to put in when they were settling up a claim of his—that there was some old account that they did not remember of and that Mr. Oliver had refused to pay him, and then he went on to tell me about some \$500 that Oliver, Davidson & Co. had received from the Government for damages for stopping the Noebing Hotel, and he said that he, being a shareholder, he considered he was entitled to a share of that \$500. I stood listening to him and said: "I did not know anything about the matter." Then he asked me if I would not talk to Mr. Oliver about it. I said "I would," and I did so. I saw Mr. Oliver, but Mr. Oliver did not entertain the idea very well. So I told him it was a strange idea for a man to stop another man in the streets to make complaints of his not paying his debts; and I thought if it was I, I would rather pay it, than have him going grumbling up and down the streets. That was about all that was said that time. On Monday, the first April, I met Mr. Henderson again, and he asked me if I had seen Mr. Oliver. I said "I had." He asked me if I had spoken to him about that, I said "I had." He asked me if Mr. Oliver had said anything about the matter. I told him that if he would go and see Mr. Oliver there was a possibility of his getting something. He asked where Mr. Oliver was. I told him he was staying at the Windsor House. He asked me if I would go with him, I said I would, and we went and saw Mr. Oliver, and we went up to his bedroom. There was some cross

fring between the two for a while, and Mr. Henderson said he had lost money, and that Mr. Oliver had made money. I listened for a while and then urged Mr. Oliver to pay him. Mr. Henderson said a hundred dollars would satisfy him on the whole claim and his share of the \$500. I urged Mr. Oliver to pay the man what he thought was owing to him, rather than let him go around complaining that he had not paid him. Mr. Oliver said "If I give you anything you will go and tell that I gave it to you for a bribe." He said "No," that he considered it was just debt that he owed him. "Well," said Mr. Oliver, "If one cent would make you change your evidence I would not pay it; all I want you to do is to tell the truth you devil you," that is the expression he used. The money was handed over to him, and he was putting it in his pocket, when I said "You might call that 50 dollars, you have not counted it, I want you to count it over and see that you have got your money." He counted it over and found it was a hundred dollars. I said "Oliver, Davidson & Co. do not owe you anything now?" He said "No." That was the end of the conversation and we parted.

Q. Did you know Mr. Henderson prior to this conversation on the street?—I never had spoken to him before, that is the reason he came and asked me if I knew Mr. Oliver, he had seen me with Mr. Oliver frequently and I suppose that was the reason.

Q. Were you aware that this examination was going on with respect to this matter?—I was down on private business here and happened to drop in while the captains were giving their evidence on the committee. I was not in any way interested in the things, all I wanted to do, was to patch up the difficulty between the two.

Q. Were you aware that there had been a settlement between Oliver, Davidson & Co. and Mr. Henderson before that?—I did not know anything about it. He spoke of having settled an old account, and he said he had forgotten to put in this account at the time.

Q. How could he have forgotten to put in this account when the \$500 item only came out in this investigation?—It was some old account for some work that he had done. I did not make any enquiry as to what it was, and when I spoke to Mr. Oliver he said he believed there was some little thing that Mr. Henderson had done that he had never got paid for; and that he had never got his share of the \$500. Mr. Oliver said to me, "I have got two hundred dollars of that in my possession yet," so I advised him strongly to pay the man out of it whatever was coming to him, and not have him saying that he had not been paid his money; because I always make it a point in my own business to settle matters up at once and have done with them.

Q. Were you aware that Mr. Henderson had given a receipt in full at the time of the settlement?—I was not aware of it.

Q. Were you aware that Mr. Henderson was here as a witness in the examination that was then going on?—Yes.

Q. Did it not occur to you that it might appear to be a very improper act that Mr. Oliver should be paying here the money?—No.

Q. Did you notice whether Mr. Oliver counted out this money from any other quantity or had he just the hundred dollars?—I think he counted it out of some other money.

Q. Did Mr. Henderson give any receipt?—No, I do not think he did. I was a witness of the transaction between the two. I was a go-between and it was to settle up the whole account. Mr. Henderson said he was a poor man, and Mr. Oliver was better able to pay him than he was able to want it, and I thought so too.

Q. This old account that was referred to by Mr. Henderson as having been unsettled, did he state the amount of it?—He said something about it being \$20. I could not tell you exactly what it was.

Q. Was there any discussion between them in regard to the Hotel Company?—There was some cross-firing, because they did not seem to be very good friends. They were something like Roderick Random and his mistress, they were both in the same opinion, but could not agree.

Q. Was there anything said about the Hotel Company?—Mr. Henderson said

he was a stockholder of the Company and that he considered he was entitled as well as any one else to his share of the \$500.

Q. Did Mr. Oliver say anything in reply?—He did not say anything against it. He seemed to consider that Mr. Henderson was entitled to a share of this \$500.

Q. Prior to the payment of this money for the old account did Mr. Oliver mention to you that Mr. Henderson had a claim?—I mentioned the account to Mr. Oliver and he said he believed there was something in it.

Q. So that there was really more done than settling up the old account, because this account you say was only \$20. Yet he got a hundred dollars?—My motive I know was to settle the account and get done with it.

Q. How long were you in the room with Mr. Henderson and Mr. Oliver when this cross fixing took place?—It would be 15 minutes, a little more or less.

Q. What was the purport of the cross firing?—It was that one had made money out of the Neebing Hotel and the other had lost money by the job, and Mr. Henderson complained that he had taken men up there, and they were not properly used when they were there; that they were not ready to start work and that the men had to wait, or something like that; and he had lost money by it.

Q. Did not Mr. Oliver say he could not have lost money in that way, because the men were paid from the time they left Toronto?—Mr. Oliver did not entertain anything but the old claim, and the share of the \$500. After he had paid him the money he said "you are mighty well paid, you have got more than your share." But I urged him very strongly to pay it, as I would rather give a man a little more, than allow him to say I owed him anything.

And further deponent saith not.

JOHN WHYTE.

OTTAWA, 16th April.

ADAM OLIVER, called and sworn was examined as follows:—

Q. Were you present when Mr. Whyte gave his evidence just now in reference to this \$100?—I was.

Q. Does that substantially represent the circumstances as they occurred?—I would corroborate that statement as all that Mr. White knew of the transaction. If you desire me to go on and detail matters that took place between Mr. Henderson and I, when Mr. Whyte was not present I can do so. The money was paid just as Mr. Whyte says, he has given the evidence correct as far as he knows.

Q. Did you hesitate about paying that money lest it might be assumed that Mr. Henderson's evidence might be influenced by it?—I rather hesitated. I met Mr. Henderson the morning before when I gave my evidence here. I was coming in here on Saturday a week ago, and I met him at the porch in front of the House. I spoke to him about the quareal that Mr. Davidson and he had in the *Mail and Globe* in the summer time about \$16 that was not put into the Government account but was paid by Mr. Henderson as he claimed for hardware. I said to him "If it is so, that you can explain it, I will pay you that \$16. But I would rather have Mr. Davidson explain about it." He talked a little, and rubbed his hands and while we talked about our evidence that we were about to give here. He said now you had better give me a hundred dollars, if you do my evidence will be all right for you on your side, as he called it. The thing was so disgusting to me that I walked off and left him, and I did not see him again until Mr. Whyte arranged that interview. In the mean time Mr. Whyte had been speaking to me about paying him this old claim as he called it; and it was paid just as Mr. Whyte says. I think he recollects it very well.

Q. I want to know, in reference to the lumber that went into the construction of the Hotel, who measured it. And I want to know particularly whether it was measured when it was delivered or before it left your mill; and whether it was measured by Mr. Flanagan your clerk, or by Mr. Henderson?—It was agreed upon

between Mr. Henderson and myself, that as Mr. Flanagan was, as he said, a correct man, there was no use in measuring the lumber again. Moreover, I do not believe Mr. Henderson could have measured it himself again. I went myself with three or four barge loads of it to Mr. Henderson, and I saw the lumber taken from the barge to the hotel, and used by cutting it up and by placing it on the building. I never saw a board rule put on the lumber, and I verily believe that Mr. Henderson never put a measure on it. It was between three and five times I saw that done, and I never saw the lumber measured by Mr. Henderson.

Q. What portion of the building would that lumber comprise?—It would comprise the boarding of it in.

Q. What quantity of lumber were you yourself a witness to the delivery of, that was not absolutely measured when it was taken to the hotel?—I could not tell you, nor could I tell you the number of times I saw it taken up to the hotel, it was from three to five times. I went upon a barge to assist in unloading this lumber, and on none of these occasions did Mr. Henderson measure it.

Q. What proportion of the whole of the lumber delivered was this?—There was as much as 5,000 feet or more went on the barge when it went up there as a general thing from 5,000 to 15,000 feet possibly.

Q. Then this whole quantity that you saw nailed on the building amounted to how much?—It did not amount to 1,000 feet each time, I suppose.

Q. Did you, in this case you speak of, see the bulk broken and part of the lumber used on the building without being measured?—I did.

Q. How much of each lot?—I do not suppose there could be possibly more than a thousand feet each time of that lumber. We came here on a barge used during the time we were unloading the barge in my sight.

Q. At all events the bulk was broken and the lumber was used without being measured?—Yes.

Q. Now, in reference to sash and doors, I believe it is in evidence that a considerable number were not put in their place in the building, and that they were lying in the building, do you know what became of them afterwards?—I do not.

Q. Were they used in any building that you put up for the Government?—Not to my knowledge. I have only Mr. Henderson's evidence on that question. Moreover I see in Mr. Henderson's evidence there are 3,000 feet of lumber piled up at the house at the time he left, and that it was taken away by Mr. Oliver's foreman to build some cottages after that. We were not building cottages at that time, as they had been built the year before, and I have no knowledge of anything of the kind, I believe nothing of the kind occurred.

Q. Do you know whether any of those sash or doors were used in any building you put up for the Government?—Not to my knowledge.

Q. Had any one authority from you to use those sash and doors?—Not from me.

Q. Or from anybody else acting for you?—I do not think there was.

Q. Who was there at the time this building was being put up representing your firm?—There was none belonging to the firm but myself.

Q. Were you superintending the building yourself?—I was not at that time, it was the spring before that the cottages were built.

Q. Was that in the spring of 1874?—Mr. Henderson says it was when he came away, and he came away in the fall of 1876. The Neebing Hotel was commenced in the month of July 1875, and it was built as far as it was finished in 1876.

Q. When was this building you put up for the Engineer's house begun and completed?—It was put up in the spring of 1874-5. I mean the engineer's buildings that M. Henderson refers to in his evidence—the cottages. The Engineer's house was erected in 1876.

Q. Who was superintending the erection of the Engineer's House?—I was superintending it.

Q. What I want to know is, were there any of those doors or windows or any of the lumber charged to the Neebing Hotel Company used in the construction of the Engineer's house?—Not to my knowledge, Mr. Henderson was doing a little of the

carpentering works on that building, he might have brought over some things; he did tell me at the door of the Parliament Buildings the other day that he had brought over some shingles and nails.

Q. Would he have brought away \$25 without your knowing it?—He could not have brought over \$10 worth without my knowing it?

Q. Had you a foreman at the building?—I had a foreman for a while, as Henderson was not doing the work satisfactorily, and I took it from him and I put my own men on.

Q. When were the cottages built?—The cottages were built in the spring and summer of 1875.

Q. Were they built before the Hotel?—Yes, they were built before the Hotel, and the Engineer's house was built afterwards.

Q. At what time did Mr. Henderson commence work on the Engineer's house?—He commenced in the fall of 1875.

Q. Were you there during the winter of 1875?—I was not there.

Q. What time did you leave Thunder Bay?—In the fall of 1875. I cannot tell you what day I left in 1875; as a general rule I left the 1st of November from Thunder Bay the last five years.

Q. What time did you return in the spring?—About the middle of May, by the first boat.

Q. Then there was all that time—six months, in which Mr. Henderson was engaged in the construction of the Engineer's house, when you were not there?—He was employed by the firm to put on the boarding; it was all done when I went up.

Q. So none of the joiner's work or casing was done until you went up?—No. I think there was but one casing put in, which I took out.

Q. Were you about the Neebing Hotel when the work was going on?—I was not very much about the Neebing Hotel. I never was inside of it since it was handed over to the Government. I occasionally went up to see how it was getting on, and to see how Mr. Henderson was doing it. I was paying a little attention to it on the part of the Company, and I was finding fault with some of the work.

Q. I want to ask you whether the workmen were paid a higher rate than the wages paid at that time for similar work by Mr. Henderson?—They were paid the regular wages for mechanics.

Q. Look over the charge for labor and see whether that was the average wages paid for laborers?—I saw this account before and I consented that the Company should pay it.

Q. Did you consent to pay anything in excess of what was fair wages?—No. I consented to pay what is here in the account.

Q. Did you ever intimate to Mr. Henderson that the Government would probably be the paymaster and therefore it did not make much matter whether the wages were in excess or not?—No, I am every positive I never did any thing of the kind.

Q. Was there any collusion on your part with Mr. Henderson in reference to allowing either material or labour to be charged in excess of what the work would fairly cost between individuals?—There was no collusion between Mr. Henderson and myself, or between any other party and myself. We were building the Hotel in good faith until we got that notice to stop work on it.

Q. When was it you got the notice?—In February 1876, and I have never been in the building since that time.

Q. Up to the time that you absolutely got notice, was the work from your standpoint carried on fairly, and with a view to avail yourself of it?—It was. I was not present during the last months; before getting the notice, however I had come down below; during that time Mr. Henderson was living in the place and keeping an Hotel.

Q. In part of it?—Yes, the part of it that was finished.

Q. Did you tell the committee that if you had intended that Hotel for a Hotel in good faith, that you would not have put such a foundation upon it?—The foundation was not such as I could have put under it if I had the whole control. It was Mr.

Henderson that did the whole thing. He swore in his evidence that there were cedar posts under it; there was not a cedar post in the whole thing, they were tamarack and balsam.

Q. If the Government had not required this building for the purposes of the railway, would you have allowed the bill as sent in by Mr. Henderson for \$1,326 for labor expenses on that Hotel, as President of the Company?—I believe I would. There is a possibility of settling with a man that you sometimes pay him more than you ought. The instance described by Mr. Whyte is one of them.

Q. Is the bill more than you thought it ought to be?—I think it is pretty high; perhaps not a great deal more than it should be. It was putting him to some inconvenience stopping the work, for he wanted to live in the Hotel.

Q. Did Mr. Henderson anticipate, at the time he was building it, that he would have a right to lease it: did he ever intimate to you that it was not likely he would keep it as a hotel?—He never did, but he rushed into it before it was half-finished and commenced keeping it as a Hotel. He held a New Year's ball or something of that sort in it.

Q. Were you ever in it when he kept a Hotel?—No.

Q. Have you heard where your bookkeeper is since he left you?—No. About a year after he left me I heard he was in Chicago, and I put a notice in the papers for him, but I have not heard of him since. I think he has gone to the old country.

Q. Do you know that he measured that lumber?—I do.

Q. Were you present at the time?—I was present several times when he was measuring it. He measured all our lumber.

Q. Did you ever intimate to him that he might be liberal in his allowance as it might probably have to be paid for ultimately by the Government?—I never did anything of the kind. I never spoke to him about the Government taking it.

Q. Have you any reason to doubt the correctness of the charges which Mr. Flanagan made in your books?—I have not the slightest.

Q. Have you ever heard his accuracy called in question?—No. On the other hand I have heard his accuracy eulogized, and I consider him a very correct man.

Q. You swear positively that you never instructed him to be liberal in his measurements of the lumber for the Government Hotel?—Never.

Q. Do you believe there was any collusion between him and Mr. Henderson or whether the lumber was charged in any other way, than it should have been to any ordinary purchaser?—There was a regular price charged, and it was measured and charged to the Neebing Hotel just the same as it is to any ordinary person.

Q. Were the doors and windows made by you?—No, they were made at Ingersoll. I swear positively that the whole bill of doors and windows as charged in that account was taken by me to the wharf and delivered to Jim Henderson and I saw him carry them into the building. The whole bill of doors is charged to Oliver, Davidson & Co., and the two accounts are precisely the same, only the prices are different, because in our account the freight is added to the cost; and freight is very light on sash and doors to Fort William.

Q. If they had been used in any building you yourself were erecting, would you have had a knowledge of it, do you suppose?—Undoubtedly, I must have had a knowledge of it if they had been used.

Q. Do you swear positively they were not used in any other building by yourself?—Unless they were used in the engineer's house, as Mr. Henderson says one window and some shingles, I swear positively they were never used by me, nor were they taken by anybody else as far as I know. But the one door and one window I saw in the shanty on the dock belonging to Purcell and Ryan who said they got authority from Mr. Hazlewood to take them.

Q. Did you ever see Mr. Hazlewood to talk to after the building had been handed over to the Government?—Yes.

Q. Did you ever talk to him about any property that is alleged to have been missing?—Mr. Bethune spoke to me about the property that had been going away. Mr. Henderson's brothers were living around there then.

Q. Who had charge of the building afterwards, was it Mr. Bothune or Mr. Hazlewood?—I think they were a little dilatory about taking charge, they did not take charge until the spring of last year, when they rented the house to Mr. Carmichael to keep a boarding house.

Q. You yourself do not know personally where any of those doors went to?—No I do not.

Q. I want to ask you a question about the account of the Neebing Hotel Company that has been rendered to the Government for \$5,029, signed by yourself as President of the Company, did you take any trouble to verify the accounts from which this has been made up?—No, I did not at the time. I suppose if I did I would have discovered the \$500 mistake.

And further deponent saith not.

ADAM. OLIVER.

FRANCIS LAW, called and sworn, was examined as follows:—

Q. Where do you reside?—At Meaford, Ontario.

Q. What is your occupation?—Builder and manufacturer.

Q. Are you at present carrying on building?—I am manager of the Law Building & Manufacturing Company.

Q. A chartered company?—A joint stock company.

Q. Are you the head of it?—Yes.

Q. Have you had considerable experience in building?—Yes. Ever since I have been able to work at the trade I have done nothing else.

Q. Have you put up many buildings?—I have put up a great many.

Q. Have you had any experience on Lake Superior?—I had considerable building at Sault Ste. Marie last year. I erected a building for the Hudson Bay Company at Michipicoten.

Q. And you are acquainted with the prices of work up there?—Yes.

Q. Have you been at Fort William?—Yes.

Q. What time were you there?—I was there last November.

Q. Did you visit the Neebing Hotel?—Yes.

Q. What was the object of your visiting it?—I understood at Prince Arthur's Landing the Government were going to do some repairs to the hotel, and sit it up for offices, and I thought while I was there waiting for the boat I would go through it and take the dimensions, so that if any tenders were called for I could prepare one from that estimate.

Q. Did you make a correct examination of it?—Yes.

Q. Could you give us the result?—I took the dimensions of the building and made an estimate of it. I came home the latter end of November and I made an estimate of it. There were seventy-two foundation posts, tamarack and balsam.

Q. Have you made an estimate of their cost?—I put them at thirty-six dollars.

Q. What length were those posts?—The ground was somewhat frozen at that time, and I could not tell you the depth they were under the ground, but they were two feet over the ground. I estimated them at fifty cents a piece, including the labor of setting them. One hundred and ten yards of excavation at twenty cents a yard, twenty-two dollars. Sixty-five perches of stone work at \$2.50 a perch for rough stone foundation, \$192.50, this includes the cost of stone, material and labor.

Q. What did you estimate the stone at per toise?—I forget.

Q. What is it worth to lay up a toise of stone?—We always estimate by the perch in our part of the country. I put in for labor \$1 a perch of 16½ feet. There are 800 lineal feet of foundation, at 20 cents a foot, \$160, including labor. There are 20,000 feet board measure of long joists and studding, some of it the width of the building, which cost considerably more than short lengths, and which I estimate at \$24, including labor.

Q. What could you get the material for?—The rate per thousand would be \$12.

for short lengths under 16 feet, and it increases 25 cents per thousand for every part over that length.

Q. Do you know what you could get that lumber at Oliver's mill for?—I do not know; but I was estimating at what I could lay it down there for. I enquired the prices at Oliver's office from his book-keeper, but not for long stuff. The regular rule among lumbermen is to charge fifty cents a thousand feet for every two feet over sixteen feet in length. I have estimated 14,000 feet of short stuff at \$18 a thousand, including labor, \$262. I have estimated 20,000 feet of inch lumber, including labor, at \$15—that is shooting and lining, and all the inch lumber used about the building, \$375.

Q. What did you estimate that at per thousand?—\$11 I think it was. 38,000 shingles laid on the roof, \$190. I was not on the roof to measure it, and this quantity is as near as I can judge from the lengths of the building. There is a portion of the building that is not shingled. I have estimated 8,500 feet of flooring which, including labor, I put down at \$295.50. The stairs, which are not finished, \$25. I have 275 yards of plastering, \$98.25.

Q. Does that include the lathing?—It includes the lathing for all that is plastered.

Q. What kind of plaster was it?—It was principally two coat work, and I think there was a portion of it only one coat.

Q. How many rooms are there plastered?—Four rooms, I think, but I see on reference to my notes there are only two large rooms.

Q. What are the sizes of those rooms?—Twenty-four by 14 feet,—or something like that.

Q. How many yards of plastering would there be in them?—Four hundred and seventy-five.

Q. Worth how much?—Thirty-five cents a yard. Plastering cannot be done for any less in that part of the country. I plastered a large house at Michipicoten last year, and it cost me every cent of it.

Q. Would it be more difficult to get material at Michipicoten than there?—No. The steamers will charge just the same rate to Michipicoten as to Prince Arthur's Landing.

Q. Where did you take the lumber for the house at Michipicoten?—From Meaford and Collingwood, I made a contract for all that was taken up, and it cost me six dollars per thousand for freight to Michipicoten.

Q. But it would not cost you that at Oliver, Davidson & Company's mill?—No; but there is a difference in price. I can lay it down at Prince Arthur's Landing for about the same price as Oliver, Davidson and Company charged at their mill. I got price from other parties at the Landing about the same date. There are about 340 yards of lathing I estimated at \$40.80. Front door \$15, finished, with side lights and face lights. I had 15 doors \$120, which included the frames and trimmings; 18 windows \$144; 11 panel doors in the building not hung, but used at a partition across one end of the building, \$27.

Q. How many doors are hung in the building?—Fifteen.

Q. How many window sash were there?—There was something like 50 piece of sash; part of them were glazed.

Q. What did you estimate them at?—Sixty dollars. I would not be positive about those sash, but I ran then over, and there were fifty pieces; there were some of them glazed, but I did not take them apart to see how many.

Q. Were they primed?—Some of them were, but not all.

Q. What was the size of glass?—Some of them 14x28 inches; some of them 14x30; and some twelve light sash. I think there were four different sizes.

Q. You have allowed less than \$1.50 per pair for them?—Something like that; I estimated the whole at \$60. I have 270 feet of cornice finished on the building \$59; 1400 feet of matched lining \$42. There is a back kitchen in connection with the building not plastered, but lined up with matchod lumber, and there is a portion

of the building that is filled with sawdust between the outside and inside sheeting for which I allow \$100, including the labor.

Q. What was the area that was filled with sawdust?—I could not tell you exactly, it is somewhere in the neighbourhood of 2,500 feet.

Q. What portion of it was filled in with sawdust?—It was between the outside sheeting and the inner lining of the post that was plastered, and on the east side of the building.

Q. Was all the east side filled in?—The lower story was and the whole length of the wing.

Q. From the sill up how high?—Twelve feet.

Q. Was the rear filled in as well?—I think so, I did not examine it; but it was lined, and I took it for granted that all that was lined was filled in with sawdust.

Q. But you did not examine it all? Some of it was lined with matched stuff, and I took it for granted it was filled in too. I estimated as though I had to finish the work.

Q. In order to get your quantity what height do you say was filled in?—Twelve feet.

Q. For what distance?—One hundred and eighty-nine feet, besides the back kitchen.

Q. Was the back kitchen filled in also with sawdust?—I think so, it is lined with one inch matched lumber; and it is customary to fill in matched lumber with sawdust when it is not plastered. I could not swear that it is filled under the plaster, but I took it for granted it was the same as that that was not lathed.

Q. What is the thickness of that filling in?—The thickness of the studding—four inches.

Q. How many yards of sawdust did you make it?—Two thousand five hundred superficial feet, besides the wood shed, which I took for the granted was filled in also.

Q. How did you ascertain it was filled with sawdust if it was lathed and plastered inside and boarded outside?—There was a portion of it not plastered and I could see the sawdust through the cracks.

Q. Did you estimate that the part that was done was worth \$100.—Yes. For delivering the sawdust there and putting it in.

Q. What else was there?—I put down \$284 for contingencies, steamboat fares, loss of time &c. I know in building a house at Michipicoton, I lost a sixth of my time, and I had to pay the time of the men from the time they left home until their return. I made an arrangement with the agent of the steamer *City of Owen Sound* to land me at that point, and call to take me away.

Q. Did you not have to pay something extra for that?—Not any more than I would have had to pay from Fort William.

Q. What is this estimate that you have been reading to us: is it not the value of the work as it stands?—Yes.

Q. Why did you go into so close an estimate?—Because I was informed at Prince Arthur's Landing that the Government were going to fit up the building for offices.

Q. What had they to do with the fitting of it up?—I wanted to know what the building was like.

Q. Have you made a distinction between the price of material and works?—I make the material, in round \$1,816.

Q. How much did you allow for the saw-dust alone?—One hundred dollars for the saw-dust and filling it in.

Q. I want you to make a distinction between the labor and the material: how did you get at the price of the saw-dust?—I looked over the thing and calculated it would be worth \$100.

Q. On what basis did you calculate?—I have filled in many a building with saw-dust before, and I guessed at that amount. I can guess pretty near it.

Q. But you must have some basis surely for your calculation?—It will cost a dollar a yard any way.

Q. How many yards?—Saw-dust is worth nothing of itself, it is the expense of delivering it and filling it in.

Q. I see in Mr. Henderson's bill the charge for saw-dust is \$5, delivered?—There must be no saw-dust under the plaster; I just guessed there was. I have no object in giving any evidence as I volunteered it.

Q. Can you give us an estimate of the gross amount of lumber reduced to board measures?—I make it 59,000 feet, at least that is what I should order for it, if I was going to do the work.

Q. What is your estimate of the cost of that building?—I have estimated \$3,000.

Q. How much of it would be for lumber?—Material, \$1,860; labor, \$900; contingencies, \$284. And then I add to that 15 per cent for the difference in building in 1877 and 1875, which makes \$450.

Q. Is that a fair item?—I consider it so, as there is a difference between the prices of material and labor now as compared with 1875.

Q. Do you think that building was fairly valued at \$3,450?—I consider it a fair valuation at \$3,000, if it was built last year. I would not like to have to do it for less, at least that is what I should tender for.

Q. What were mechanics paid in 1875 in Meaford?—About \$1.75 to \$2.00 a day.

Q. What are they being paid now?—\$1.25 to \$1.50.

Q. What would be paid at the time this building was erected?—\$1.75 to \$2.00.

Q. What was your object in making an examination of the building?—I understood at Prince Arthur's Landing that it was going to be fitted up for offices.

Q. And you therefore made what you considered a precise and liberal valuation for it?—Yes.

Q. What connection was there between that estimate and your object to finish the building: was your estimate made at the instance of any body?—No.

Q. Were you paid for it?—No.

Q. But the valuation had no connection whatever with the object you had in view—the fitting up the building?—No, I did it for my own information, and very few knew anything about it.

Q. How did you come to let it be known to the Government that you had made this valuation?—I told two or three parties that I had made it, and had the figures.

Q. Did you take any steps to let the Government know that you had visited the building and made a valuation of it?—I let one or two government men up there know that I had made the valuation.

Q. What had this item for contingencies to do with it?—I should certainly put that in if I was tendering for the work. I may state, it had cost me that in a job I did for the Hudson's Bay Co. at Michipicoten.

Q. Were the posts that were under the building of any value at all for the purpose?—I should not use them, but still it cost something to put them in there.

Q. Were they of any value for the purpose?—Not to remain in the ground any length of time.

Q. Was the stone wall that was there fit to remain?—No, it was down from the want of the mortar being protected from the frost.

Q. Was it laid up with mortar?—It was, but there was not sufficient lime in it.

Q. Was there any lime in it?—I did not see a great deal in it.

Q. Did you see any lime in it?—No.

Q. At the time you came down from there did you communicate with any member of the Government?—No.

Q. Did you communicate with Mr. Snider, or who did you communicate with?—I don't know that it is necessary to answer that.

Q. With whom did you communicate?—Mr. Clelan, of Meaford, for one.

Q. Did you communicate with any other—nearer to the Government?—Yes, Mr. McMaster, of Collingwood. I will say positively I never expected it would come up in this shape when I took the measurement.

Q. Who told you the Government were likely to fit up this building?—Two or three parties at Prince Arthur's Landing I don't know that I can tell their names

There was a man who was living in the building at the time who told me, and a man named Conway who lived at Prince Arthur's Landing.

Q. Did you see any member of the firm of Oliver, Davidson & Co., when you went up there?—No.

Q. Did you see no person in their employ?—I saw the clerk.

Q. Did he suggest that you should value the building?—No.

Q. Or that you should look at it?—No.

Q. When you were up there, did you try to inform yourself as to whether it was the intention of the Government to fit up the building?—No. Nor did I see any of the Government officers.

Q. Who could have told you that it was the intention of the Government to fit up that building?—It was hearsay. I had nothing to do and was waiting for the boat, and I thought I would be prepared to tender for the work if it was necessary.

And further deponent saith not.

FRANCIS LAW.

OTTAWA, 25th April, 1878.

Hon. ALEX. MACKENZIE, called and sworn, was examined as follows:—

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 about the position 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 the 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.

Q. Will you explain how it was that Mr. Wilson was appointed valuator, and on whose recommendation?—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.

Q. Were the plans fyled at the earliest convenient moment after the selection had been made?—Yes; the plans were prepared, as far as I can recollect at present. I do not remember the precise date without referring to the official papers; but they were prepared late in the autumn of 1874. Then the question came up with Mr. Fleming, myself and deputy, as to where the plans ought to be deposited, in order to comply with the Railway Act. It will be observed by the Statute of 1874 that we had to make provision for the deposit of the plans to make the expropriation legal in a somewhat different way from what the Railway Act provided. The Dominion Government have assumed, and have acted upon that assumption always, that the boundary of Ontario is through Thunder Bay; that the whole of the Kaministiquia River, in other words, its *debochure* is in Keewatin. We have, as gentlemen are aware, a conventional line at Hunter's Island. We sell all the land west of that, and the Ontario Government sell all east of it, on the understanding that when the boundary is settled a general settlement will be effected. But with regard to the legal division, it is different; for instance, the magistrates at Fort Frances had to be paid and commissioned by both Governments, in order to make it certain that they were acting legally. With regard to the deposit of maps or plans, we could not fix upon any conventional line; we therefore took power, under sub-section eleven of section eight of the Act, which is as follows: "It shall be sufficient that the map or plan or book of reference for any portion of the line of railway not being within any district or county for which there is a Clerk of the Peace, be deposited in the office of the Minister of Public Works of Canada, and any omission, misstatement or erroneous description of any lands therein may be corrected by the contractor, with the consent of the Minister, and certified by him; and the railway may then be made in accordance with such certified correction." We considered, and the Minister of Justice considered at the time that we fulfilled the law in depositing the map in my own office, but it was very evident that this would be practically of little use, although the law might be literally complied with; and we determined to send a copy of the map, as early as possible, to be deposited with a Government official at Prince Arthur's Landing, Mr. Van Norman, who, I understand, was Registrar and Stipendiary Magistrate there, so that all parties would have cognizance of its deposit there. It was sent, to the best of my recollection, in January, 1875.

Q. Was there one sent also to Toronto?—Yes; there was one sent to the Crown Lands Office, and I think there was one fyled at Sault Ste. Marie. I am not quite certain of that; at all events we took every precaution to have the public fully notified. I should also state in connection with the land required for that road, knowing that land was still in possession of the Local Government, for some distance on the route, I wrote a letter to Mr. Pardee some time in the autumn of 1874, a copy of which I tried to find, and failed, though I understand Mr. Pardee recollects getting it very well. I wrote to him, telling him that it was probable that the line would go in the direction of Thunder Bay, and requesting him not to sell any more lands, and not to make anything known to any one concerning the line, so as to prevent any speculation so far as he could. I found a letter with reference to the Georgian Bay Branch, of a similar character, though I have not been able to find the one with reference to the Thunder Bay location. I file a copy of this letter, marked A. (Private.)

OTTAWA, 14th October, 1874.

MY DEAR SIR,—By desire of Mr. Mackenzie, I herewith forward you a map, showing the probable route of the railway from French River, eastward, in the

event of Mr. Hazlewood's line being adopted. It is almost certain that the line will be as indicated on the map, for which reason you will oblige by keeping the map quite to yourself, not allowing any person in your Department access to it, as the Government here wish not only to prevent speculation, but newspapers writing about the route until everything is finally settled.

Yours truly,

(Signed) WM. BUCKINGHAM.

Hon. T. B. PARDEE, Toronto.

Q. The fying of the plan with the Ontario Government was to give them notice that this Government would require the land laid down on the plan?—Yes.

Q. Did you know the owners of the land at Fort William?—I did not. I knew Mr. McKellar and his family, and that Mr. McVicar lived there. I knew that they had property there, as I had been at their houses a few years previous, I think in 1864, but I did not know any of the owners of the lots in the town plot.

Q. Did you know that Oliver, Davidson & Company had any lots in the town plot?—I knew they had a saw-mill in the neighborhood, but I did not know the precise locality of it, or that they had any lots in the town plot.

Q. Did you give Oliver, Davidson & Co., or any members of the company any information before the fying of the plan?—I did not; nor to any other human being.

Q. Had Mr. Brown any authority from your Department to act as solicitor or adviser of Mr. Reid and Mr. Wilson?—He was authorised to advise as to titles only.

Q. When did you first become aware that he had been giving advice to Mr. Reid?—Mr. Reid came down after he had been up there some weeks. He had found some difficulty in tracing out parties, and had gone to Duluth and some other places, and he brought down the result of their work up to that time, and in discussing various matters with him, I ascertained from him that Mr. Brown had given the opinion that the Government had not given sufficient notices. I was very much surprised that such an opinion should have been given, and I wrote a somewhat angry letter to Mr. Brown that same day.

Q. Have you that letter with you?—I have not; but I can send for a copy of it.

Copy sent for, and produced, as follows:—

(Copy)

OTTAWA, 2nd August, 1876.

SIR,—I am informed by the Valuers at Fort William that you gave an opinion that no legal notice of the intention of the Government to take possession of certain parcels of property had been given.

When the Valuers were informed they could consult you on any difficulty in titles it was certainly not the intention of the Department to submit to you the interpretation of an Act of Parliament, but simply to render any legal help in the routine business they might find necessary to ask. The opinion you did give is repugnant to the law and contrary to the interests of your employers (and, of course, is in the interests of the former owners of the land), who took possession of it in January, 1875.

Your duty was simply and solely to see that titles proffered were good and sufficient before payment could be made to the owners.

I understand, also, that you are personally interested in some of the lots to be conveyed. Of course, the titles of such lots cannot properly pass to us except through the hands of another solicitor.

I shall await your explanation before adopting any new course. In the meantime I have directed the Secretary of this Department to request you to take no further action in the business.

I am, Sir,

Your obedient servant,

P. J. BROWN, Esq.,  
Ingersoll.

(Signed) A. MACKENZIE,

I should say that Mr. Brown denied giving the opinion, and he wrote the following reply to my letter:—

(Copy.)

OTTAWA, 5th August, 1876.

Hon. A. Mackenzie,  
&c., &c.,  
Ottawa.

DEAR SIR,—I am in receipt of your letter of 2nd instant, in reference to my action re-C.P.R. lands at Fort William, which certainly grieves and astonishes me, and in reply I have to say that the valuers labor under a misapprehension of facts when they state that I gave an opinion to them that the notice appropriating certain lands for railway purposes issued in January, 1875, was not a legal notice. I gave no such opinion. I did state to them, however, and then only during a couple of private conversations, that I thought the notice insufficient, but this was only in a conversational way, and not as an opinion, and I never dreamed that they considered it in any other light, or ever thought of acting on it. On the contrary, I believe they did not act on it, but took January, 1875, as the basis upon which to fix valuations, as the following cases that were submitted to me for my opinion will show, and in which, I am satisfied, the valuers will bear me out:—

1st. Chas. F. Elwes purchased in May, 1875, lot 25, S. Frederica Street, for \$420. I advised that no more be allowed him than for other lots in same locality, on the ground that it was purchased after January, 1875.

I advised the same course as to lot 76, on same street, which was owned by six different parties, costing them nearly \$1,200, which I understood the valuers carried out.

The Neebing Hotel—I advised that no fixed valuation be made, but that the valuers should collect such evidence as they could as to the *bond fides* of the transaction, and submit the matter first to the Government.

As to the Hendrick Hotel, similarly situated, I was not consulted, but I believe valuation on this was fixed.

As to McCarrme Hotel being on part of lot 1, on Water Street, I advised the valuers to make the best bargain they could, as McCarrme had purchased the property and erected the building in 1874. He could sustain his claim for fair valuation.

I am not aware of the contents of the valuers' report, but the above are matters which were referred to me, and in all of which matters and my connection with them, I think they will bear me out in saying that I acted conscientiously, and the charge that I have acted in the slightest degree otherwise, or in the interest of former owners, I most emphatically deny. I have a reputation to sustain, both in my private and professional capacity, and so far, in this or any other matter, I feel that I have done nothing either to embarrass my friends or bring dishonor to myself.

As to the three lots held in name of my wife, I proposed having the conveyance executed and sending the same, with abstract and all necessary certificates, to the Department of Justice, to be approved of by them.

Trusting the above will be a sufficient explanation and will receive favourable consideration,

I remain, dear Sir,

Your obedient servant,

(Signed)

P. J. BROWN.

Q. When you ascertained that Mr. Brown had private interests of his own there, did you take any steps to have anyone else appointed?—I applied to the Department of Justice to appoint someone else in those cases.

Q. And another gentleman was named?—Yes.

Q. Was Mr. Brown appointed by the Department of Justice?—Yes, he was; I think I requested them to do it, as that is generally the method. In some places we have our regular agent who does all the work. For instance, at Halifax, St. John, Victoria and Winnipeg; but in scattered places, where it is only temporary employment, we have to find out the most convenient. Mr. Brown was selected from the knowledge I possessed that he either had an office there or was there often, and I knew no other practitioner at the place.

Q. Are you aware that Mr. Brown formed one of the company of Oliver, Davidson & Company?—I was not aware of it until Mr. Reid told me.

Q. Then you could not have been aware of the fact that he was interested in lands with them?—I was not aware of it until the same day, as you will find by my letter.

Q. Do you remember when Mr. Murdock was dismissed?—I am not sure of the precise time, but I think it was in the autumn of 1874 or early in 1875.

Q. Did you know why he was dismissed?—I received many letters informing me that Mr. Murdock was not attending to his work, and those complaints became so numerous, and they were apparently so well founded, that Mr. Fleming decided to send an officer to enquire about it. Mr. Hazlewood was sent, and he found that those complaints were sustained,—that he had never examined the country as he should have done, but simply drew a line on the map, and directed a survey in that direction. Upon obtaining that information, we dispensed with Mr. Murdock's services, and appointed Mr. Hazlewood, who is now dead, in his place. On his behalf, I should say he accepted the position with great reluctance. He at first declined to accept on account of having been sent there to investigate into Mr. Murdock's management. Mr. Fleming appointed him as one of the most trustworthy men he had under him; and the effect was a very great change in the location of the road, and cheapening it to a very great extent. Mr. Murdock was removed for that cause.

Q. Where did the parties reside who had written with reference to Mr. Murdock?—I could hardly tell you; some people wrote from Prince Arthur's Landing, and some who were there visiting during the summer wrote about it.

Q. Who were they?—I can hardly tell you who they were.

Q. The result was he was dismissed in consequence of those letters?—No; in consequence of neglect of duty. The letters brought his neglect of duty first to our notice.

Q. Had he a large staff under him?—Yes.

Q. Had it been represented that he had absented himself for weeks at a time from his duty?—It was; but not absence from the locality; it was inattention to the field work; the great fault was that he had not examined the country in a preliminary way in order to make out for us a proper survey.

Q. Did Mr. Fleming recommend that the town plot should be selected as the terminus?—I know nothing about the town plot. He recommended the location where it is now marked, colored, on the map.

Q. Did he recommend that place on the river to be taken?—Yes, he did. I never marked any place.

Q. The selection was made and he recommended the quantity of land?—He recommended precisely what is marked on the map; what has been taken for the station grounds was recommended by Mr. Fleming.

Q. But he did not recommend that for the terminus?—Yes, he did.

Q. But he does not say so in his evidence?—I do not care what his evidence is, there is the fact; that is my evidence. I had no technical knowledge to judge of any particular spot on the river. My own opinion was it should have been much higher up than it was.

Q. Are you aware that any of the engineers that were employed in the surveys

were in the habit of purchasing land in localities where a supposed terminus would be?—I was not aware of it until my notice was directed to the fact that Mr. Hazlewood had some lots in that place. I directed Mr. Fleming's attention to it at the time and he told me he did not think there was any blame attached to Mr. Hazlewood in the matter for reasons that he gave. I was not aware of any other case.

Q. Would you not suppose it was a very improper course for any engineer to adopt who was employed by the Government on that survey?—I think it was; although he had no voice in the location, I am bound to say that for Mr. Hazlewood; but I quite agree that it should not be done. I go further than that, I do not think members of Parliament should either. Perhaps I should say, in connection with the last question, I hold myself fully responsible for the selection of the Kaministiquia terminus as well as Mr. Fleming, and I do not wish, even through any technicality, to avoid my share of the responsibility. Sometimes I yield to officers in technical matters against my own judgment.

Mr. Fleming, in his deposition, gave the following evidence:—

“Q. With whom had you those conversations you spoke of in determining the terminus of the railway?—With Mr. Mackenzie.

“Q. Not with any other person?—Not with any other person I remember

“ of.

“Q. Who selected the terminus point; who located it?—The Government selected the terminus of the Pacific Railway on Lake Superior.

“Q. Who selected the particular piece of ground?—I did; I recommended that particular piece of land shown on the plan before the Committee, colored red, as the land required for the Pacific Railway.”

Q. Is that a correct statement of the facts?—I should say, in the first place, while a member of the Ontario Government we determined to dredge the mouth of the Kaministiquia as being the best harbour; that was in 1872, and that Government did expend \$22,000 on that work. With regard to Mr. Fleming's remarks about the navigation there, I may also say up to that time we had Mr. Hazlewood's and Mr. Murdock's reports. I was wholly in favor of Nipegon myself, and up to the time we had the final consultation late in December, I was still of the impression that Nipegon was the best place to go to, for the reason if the road could be constructed equally well to Nipegon from Red River, it would be more in the direct line eastward when that section came to be constructed, than Thunder Bay.

Q. Who selected the particular piece of ground at Kaministiquia for the terminus?—No person else could have selected it but the Engineer, as I had no knowledge of the locality whatever, and gave no opinion about it. Mr. Fleming's evidence is quite consistent with what I stated. Of course, the Government selected the location, but they selected it upon the recommendation of the Engineers.

Q. But he does not say so?—He ought to say it.

Q. Your opinion was that it ought to have been very much higher up, so that you were not favorable to the location that has been selected?—I knew the river itself very well; I knew the water was deep, and long before the railway was spoken of, I had spent some days upon the river; but my impression was that some miles of railway could be saved by going higher up, but I trusted entirely to the engineers to say the spot the road should reach the river. It was represented to me formerly to be deep water all the way up to Point de Meurons.

And further, deponent saith not.

A. MACKENZIE.

OTTAWA, 25th April, 1878.

JOHN MACKELLAR, called and sworn, was examined as follows:—

Q. Where do you reside?—Fort William.

Q. How long have you been residing at Fort William?—I have been there most of my time for the last fifteen years.

Q. What land did you take up when you went to reside there?—I settled on a piece of land adjoining the town plot and Neebing.

Q. But the property you took up is east of the town plot?—Yes.

Q. Did you make application to the Government for it at the time you took it up?—Yes; I made application for it in 1864.

Q. Did you pay anything on account of it at that time?—I was authorized to send a Provincial Land Surveyor's plan of it to the Department, and I sent that in 1865, with the money that was required—at that time 20c. an acre.

Q. What number of acres are there in your farm?—One hundred and seventy three acres.

Q. Does it front on the river?—Yes.

Q. How far back does it run?—About one and one-eighth miles.

Q. What width is the front?—Quarter of a mile.

Q. When was the first survey made of your property or the property adjoining it, for the Pacific Railway?—I think in 1872; it passed through the back part of my place.

Q. Where did Mr. Murdock begin at that time?—He began near the mouth of the river.

Q. Did he continue surveying there during the fall of 1873?—Yes; he was up there in 1873.

Q. With a force of men?—Yes. He went up late in 1873—in the fall—with a strong force of men.

Q. What force had he?—Between sixty and eighty men.

Q. Did he get to work when he went up there with the men?—No; he was for some time detained for want of ice on the lakes.

Q. For how long?—I do not think he fairly got to work until January.

Q. Had he all those men idle during that time?—Yes; they were partly idle, I think. I do not know that they were altogether idle.

Q. Did he go up with the last boat in the fall?—Yes; he went up with the last boat, about the 13th of November. I could not be sure, but it was sometime about then.

Q. Did he continue surveying the following year?—Yes; he commenced, I think, where he left off the year before.

Q. Had he been at the Nipegon surveying in 1873 and 1874?—No; I met him at Nipegon in 1872—I met him first on board the "Chicora," in July, 1872, with Mr. Rowan and a number of men with them, going up surveying at Nipegon. I came down in August, and he went up on the "Cumberland" with me to Fort William. I told him I thought he could get a better line at Fort William than he could at Nipegon.

Q. Was that in 1872?—Yes; I think he was on his way down to Toronto. He sent some men up with the last boat; he came through by Duluth himself.

Q. Was it at Prince Arthur's Landing or at Fort William he was instructed to make the survey?—I understood that he was instructed to commence at Fort William, but he ran a line from Prince Arthur's Landing across to the Fort. All the country between the Town Plot and the Neebing River, a distance of about two miles, is level, and there is no difficulty in running a line anywhere through it.

Q. Is it level, in a direct line from your farm to the Murillo Stat'on?—No; if you go on a straight line the country to the north of the Railroad line is rough.

Q. Is it level down to your farm, so that they could run a railway through it easily for three or four miles west of it?—Yes. There is no difficulty in getting down to my farm.

Q. Where are your improvements?—They are fronting on the river, at the south-eastern corner of my lot.

Q. How far back did they go from the river; or how much clearance had you made at that time?—Twenty or twenty-five acres on the front of the lot. There was a little piece in the corner that was not cleared, but I had eighteen or twenty chains improved along the front.

Q. What did those improvements cost you?—They cost me over \$60 an acre to clear some of it, and grub it. It was heavy tamarack timber.

Q. What had your buildings cost you up to that time?—I had a very good square timber log house, 25x42 feet, two stories high, frame finished outside, and lathed and plastered inside. It cost a good deal of money to build it; besides stables, warehouse and docks.

Q. What did they cost?—I suppose between \$3,500 and \$4,500, the whole thing.

Q. What did you estimate the cost of your improvements at?—I suppose it would cost over \$4,000 now.

Q. That is, the clearing, grubbing, and buildings?—Yes.

Q. Is building there more expensive than elsewhere?—It was at the time I built.

Q. When did the patent issue for this land?—It issued in 1875.

Q. Had there been applications made to purchase from you two or three years before?—No; I had no applications made that I know of. In 1872 I told Mr. Murdock I thought he was too low down with his survey; I offered to sell him a few acres at my place if he would locate the station there.

Q. Where was he locating the terminus then?—He was starting it near the mouth of the river.

Q. Why did you think he was too low there?—Because the land is low, and there would be very little room for dockage.

Q. Does it overflow there?—Not much; that river never overflows.

Q. Is the land dry?—It is flat and almost level with the water.

Q. How far is that below your place?—About 1½ miles or 2 miles below my place, and the ground is low there; because they had to build a sidewalk a foot above the ground in order to walk between lighthouses.

Q. So that, if they wanted to build there, the ground would have to be levelled up?—Yes; and there would not be much room for dockage. We expect to have a trade there yet, if the North-West country is what we expect it to be.

Q. Were applications made to you to purchase before 1875?—There were some parties spoke to me about getting lots when I would lay out my place.

Q. When you got your patent did you sell lots to any of those parties who had previously made application?—I laid out about 14 or 15 acres in town lots in 1875.

Q. What price did you get for them?—I sold some of them from \$100 to \$200 a lot.

Q. What size were those lots?—Fifty by a hundred feet.

Q. How many of them would it take to make an acre?—A little over eight.

Q. What was the average price they were sold at?—The average price of what I sold in 1875 amounted to over \$1,100 an acre.

Q. Were they all front lots?—No; they were not all front lots.

Q. What amount did you sell in 1875; I think I sold 2 acres 2½ or 22 lots.

Q. Had any of those parties tried to buy those lots before 1875?—Some of them spoke about lots long before the railroad commenced.

Q. How long before was that?—That would be in the winter of 1872-3.

Q. Does your land go the water edge?—Yes.

Q. And it does not terminate at the road?—No; my patent gives me to the waters edge, reserving a road along the bank. They built the Pigeon River Road sometime ago, and placed it back in my clearance.

Q. So you have private property between the roadway and the river?—Yes.

Q. How far is the road from the water edge?—From a chain and a half to two chains. Of course the road was easier made in the clearing than along the front.

Q. Did you sell any lots at the time the arbitrators were up there valuing the land?—I was selling some lots since 1875. I sold at a higher price in 1876 than I did in 1875.

Q. What was the average price per acre you received in 1876?—It was over \$1,300.

Q. Was that the average, or the whole amount?—I sold some at the rate of \$1,600 an acre; \$1,300 was the average of all I sold. I sold seventeen lots in 1876.

Q. What was the size of the lots?—50 by 100 feet, and some of the principal lots less than 100. All the back lots are 50 by 100 feet.

Q. How many acres had you altogether?—173.

Q. Do you know lot No. 8, Fredericka Street?—Yes.

Q. Was that lot taken by the Crown for the railway?—Yes.

Q. To whom did it belong?—It belonged to my sister.

Q. Had you any application from parties desirous to purchase it, the year before the valutors took it?—Yes; there were some parties applied to purchase in the winter before the railway terminus was located there, on or about the time the plan went up to be registered.

Q. Who applied?—A person named Parks, a store-keeper.

Q. What did he offer you for it?—\$300.

Q. Did you allow your sister to take it?—No; I thought she could do better. It is a corner lot, over three-quarters of an acre.

Q. What was the amount allowed for it by the valutors?—\$250. We did not think the reserve would go back so far as the lot.

Q. Mr. MURDOCK was examined before this Committee as follows:—

“Q. In speaking of the McKellar farm, I think you have already given evidence “as to what that land could have been obtained for in 1875?—I think so.

“Q. What was it?—The land could have been obtained for \$75 an acre.”

Q. Was Mr. Murdock justified in making that statement?—No. Nobody had approached me in 1874 or 1875 to purchase, because the first location was down-near the mouth of the river, and the next one was a mile and a half or two miles above me.

Q. Was that in 1872?—No; in 1874. In 1874, they were at the upper end of the town plot.

Q. But Mr. Murdock speaks of 1874 or 1875; did you offer Mr. Murdock the land at \$75 an acre at that time?—No; I did not.

Q. You swear positively you did not?—I do not think anybody approached me about it, any more than some persons used to say that the Government would take my farm. I told Mr. Murdock one time at the Fort that I thought he was too far down. This was in the winter of 1872-73, and I said to him, “If you come up above I will sell you ten or fifteen acres at a reasonable price.”

Q. Would you not in 1874 or 1875 have sold them your farm at \$75 an acre?—No; I would not, because I thought it was worth more money than that. It is worth a great deal more than that to-day.

Q. Supposing a *bona fide* purchaser had gone to you and said: “McKellar, I will give you \$75 an acre, cash, for your farm,” would you have taken it?—I do not think so; because I was living there, and it did not make any difference to me whether the terminus was above or below, as it would have to be near me, and I would not have taken \$75 an acre then.

Q. You believed, did you not, in 1872 or 1873, that the terminus would be located somewhere in the vicinity of your property?—Yes.

Q. That you were convinced of?—I was always of that opinion.

Q. Did you see the surveyors at work?—Yes; and I always thought the railway terminus would be at Fort William, and knowing that they could not go very far up the river, and could not stay at the mouth, my place was in such a position that it was bound to become valuable.

Q. And knowing what you did, would you, in 1874, have sold your place for \$75 an acre?—Knowing what I did in 1874, I would not have sold it for that; but if the terminus had gone to Nipegon I might have sold at that.

Q. Were you there at the time the valutors were up?—Yes.

Q. Do you know generally whether the parties were satisfied with the prices they got?—Those that had a few lots there thought they had to sacrifice them to benefit the others.

Q. Do you know whether Mr. McIntyre had land there?—Yes.

Q. Were all his lots taken?—Yes; I think all he owned in the town plot were taken.

Q. Had he a grievance about it?—He was always complaining that the Government had not acted fairly in taking his lots.

Q. Do you know whether any parties threatened to go to arbitration about it?—I could not say.

Q. Was it not considered uncertain for some time where the terminus would be located, whether at Prince Arthur's Landing, Nipegon or Kaministiquia?—It was for some time doubtful whether it would be at Thunder Bay or Nipogou.

Q. And what did you consider the value of your farm before the terminus was located on the Kaministiquia?—Of course it would not have been so valuable if the railway had not been located there.

Q. What would have been the value of it if the terminus had not been located there?—Taken at the same rates as other lots, it would have been worth a good deal; you could not make out what the value would be there. It is a mining district, and land has a speculative value one way or other.

Q. Is your farm affected much in that way?—Even without the railway, if it became a great mining centre, my land would be valuable.

Q. But before the location of the railway terminus was known, what was the value of your land?—Some persons value land at different prices; at Prince Arthur's Landing, for instance, some lands in 1874 were as high as \$5,000 or \$6,000 an acre.

Q. What was the value of farm lands about there in 1873?—In the first place, if you clear up a piece of land it will cost you fifty or sixty dollars an acre to put it under cultivation.

Q. I am speaking of the whole of the farm—how many acres have you under cultivation?—About twenty or twenty-five acres. The land back of my place, in the winter of 1870-71, was bought for five hundred dollars.

Q. When did you get your patent?—In 1875.

Q. In what year did you locate the land?—In 1865 I made the survey and applied for it.

Q. What price did you pay for it?—Twenty cents an acre and make improvements.

Q. Before the terminus was fixed at the Kaministiquia, in 1873 or 1874, if any one had offered you fifty dollars an acre for the whole of your farm, would you have refused it before you were influenced by the railway?—I do not know whether I would have taken it or not; I was living there then.

Q. Would you not have considered it a pretty good offer?—I would for some of my land.

Q. Do you know the character of the country between your property and the Murillo station, in a direct line; could a level track be found for the railway on that line?—I do not think they could get a very good line direct, as the country is rough to the north. I think the line is as far north as they could get a good line.

Q. The located line, and a direct line from Murillo station to your farm would not be very far apart; is there any marked difference in the character of the country through which they would run?—I cannot say that there is. I dare say you could get as easily to my farm as to the town plot, but you could not get in a direct line from the Murillo station to the town plot.

Q. Did you know of any vessels having to leave Prince Arthur's Landing and seek shelter in the river?—I saw the "Francis Smith" last fall in the river. Captain Woods told me that he could not stay at the Landing dock; it was too rough, and he had to go to the river.

Q. Had he freight for the Landing?—I do not know; but he waited in the river all day, and he had to go to the Landing for the mails in the evening.

Q. Did he remain in the river during the time the storm prevailed?—Yes.

Q. Had he freight for the river?—I do not think he had; the vessel lay at our docks all day.

Q. Did he tell you he was waiting for fair weather to go to the Landing?—He

told me he would not lie at the Landing dock when it was stormy. The steamer "Quebec" went to the Landing at the time the "Frances Smith" was leaving the dock. I was told she broke some of her lines before she got away.

Q. Who is Captain of the "Quebec"?—Captain Anderson.

Q. Where were you when you saw the "Frances Smith" go to the dock?—I was at my own place.

Q. Could you see her stopping at the Landing?—No; I saw her passing the mouth of the river, but I did not see her at the Landing. 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. Have you ever seen any ice shove at the Landing?—Yes; I saw one there there in 1865.

Q. What extent was it?—It was a pretty good size. It shoved some of the Government buildings down that were near the bank.

Q. How far in did it extend?—It might have gone in one hundred feet or so.

(Copy).

OTTAWA, 29th April.

WILLIAM MURDOCK, called and sworn, was examined as follows:—

Q. I believe exhibit 5 is a plan of yours sent in with your report to Mr. Fleming, carrying the railway down to the mouth of the Kaministiquia?—Yes.

Q. Was Mr. Simpson an officer of your staff?—Mr. Alexander Simpson was.

Q. Is he alive now?—No he is dead.

Q. When was he first employed by you?—In the winter of 1872 I think.

Q. Did he continue in your employ to the time of his death?—He was employed on the Canada Central Railway for a time.

Q. How long was he employed on the Canada Pacific Railway?—About six months.

Q. Up to what time?—Up to the cancelation of the Georgian Bay contract.

Q. He was with you up to that time?—He was, off and on. He was at Sault St. Marie practicing as a Land Surveyor.

Q. How long was he with you at the Kaministiquia?—During one survey.

Q. What year was that?—In the year 1872 or 1873, I think.

Q. About what time in 1873 do you remember was he relieved?—In the spring of 1873, I think.

Q. From what time in 1872 was he with you?—From the fall of 1872—the close of navigation—up to the spring of 1873, they have it on the pay list in the Canada Pacific Railway Office.

Q. At that time did he make a survey of the land at the mouth of the Kaministiquia River?—Yes.

Q. Is exhibit No. 7, his field notes of that survey?—Yes, they are his field notes of a survey made for John McIntyre of the Hudson's Bay Company, of his land, shown on my plan of the mouth of the river.

Q. You sent in that plan accompanied by your report to Mr. Fleming in the spring of 1874?—Yes, it was on the plan I sent in to Mr. Fleming.

Q. And in that report there is the following recommendation: "I would respectfully submit for your consideration the propriety of producing the line toward the mouth of the river to obtain a lower level for docks, &c., and also for later navigation in the fall of the year?—Yes.

Q. The plan, exhibit No. 17, was filed in the Crown Lands Departement in connection with those field notes of Mr. Simpson's?—Yes, I suppose so. But I believe I never saw it before,

Q. Are you aware that Mr. McIntyre sent in an application to the Crown Lands Department for the land in that survey?—I am.

Q. That was in the spring of 1873?—Yes.

Q. Had you and Mr. McIntyre any conversation with reference to it?—Yes, we had.

Q. Was it considered that you were to have a share in the land?—Not necessarily.

Q. Still I believe you expected a share in it?—No, I did not expect it.

Q. Did you never admit to anybody that you expected a share in it?—Mr. McIntyre said he would give me a share in it, but there was nothing drawn out between us to that effect.

Q. But, at all events, acting upon that promise one of your staff made a survey of the land and sent it in with an application to the department, and you yourself made a report to Mr. Fleming advising that that site should be selected for the terminus of the Pacific Railway?—I never advised it, as will be seen by my evidence of last year and this year.

Q. Is not this an exact report: "I would respectfully submit for your consideration the propriety of producing the line towards the mouth of the river to obtain a lower level for docks, &c., and also for later navigation in the fall of the year"?—Yes. I recommended it should go towards the mouth of the river, and I say so still.

Q. And you sent Mr. Simpson to make a survey and plan of this land for Mr. McIntyre?—I permitted Mr. Simpson to make that plan while he was an officer of the Government and paid by the Government, and think I had a perfect right to do it, as Mr. Simpson was not doing any work at the time. I further say that Mr. McIntyre wanted to get that piece of land as he had a house upon it in which Mr. Borron then lived and he spoke to me several times about it, as he thought it would become valuable; and he said to me "if you want an interest in this land I will give you an interest in it."

Q. Are you aware that the money was paid into the Crown Lands Office for it?—No. I am not.

Q. Did you ever express to anybody your disappointment that that point had not been selected for the terminus?—No, I did not. I never expected it would be.

Q. Did you never state to anybody that you had it in for the Government as they had rather balked you?—I never made such a statement that I know of.

Q. Nor words to that effect?—Not that I know of. I may have done so, but I do not recollect having done so.

Q. At all events you recollect recommending the line being taken down to that point, as I have read from your report?—I would still recommend that it should be brought down towards the mouth of the river.

Q. And this report accompanied your plan showing the dotted line down to this point?—Yes it is dotted down the same as I would have done it with any other plan.

Q. Was Mr. Simpson's time, while he was making this survey, credited to the Government?—No, it was not.

Q. Do you think you had a right to allow Mr. Simpson to be engaged on a survey for a private individual while he was under pay of the Government?—Under the circumstances I do. Mr. Simpson was not employed at the time, as no work had come in for him to do. And I considered that the services which Mr. McIntyre had rendered to the Government in connection with the Pacific survey entitled him to that consideration.

Q. Mr. Mackellar stated in evidence the other day that the men you took out there in the fall of 1878 were idle until January. Was that the case?—No, it was not the case; and I think Mr. Mackellar will correct his statement if you call upon him to do so. The men, when they arrived at Thunder Bay had to prepare to go inland. I wish to make a statement in order to set this matter at rest. I arrived at Prince Arthur's Landing on the 9th of November, I think, by the *Chicora*. The men were then camped at a little river near Fort William and were occupied in this way: they had to get their axes hung, and to put up the necessary material they had to use on the survey in proper shape for the winter's work. At that time the upper lakes had not

frozen. And you will understand I had to take the principal part of the provisions that I required, through a trackless wilderness of lake and forest, up to the height of land, and across Lac des Mille Lacs, a distance, I think, of about 120 miles. The number of horses that (Mr. Rowan) who was then Mr. Fleming's assistant, allowed me, was altogether inadequate for the service. Knowing that when I left Ottawa I make up my mind to use my own discretion. I had only four teams to carry that 50 tons of supplies 120 miles over unbroken roads, and over ice that was sometimes covered with water, and drifted in such a manner that the horses sometimes could not get through and had to camp on the ice at night. I had to increase the number of horses, in order to enable me to keep a constant supply of provisions on the line. When I got to the point where work was to be commenced, I had to cut a road 20 miles through the woods for the horses, and I had to run the line 25 miles before I could commence the regular work surveying the main line at all. I had to wait in Prince Arthur's Landing until the snow fell and the ice formed on the lakes to enable me to get into that country at all. I have my diary here with an account in detail of everything I did during those months.

Q. How many men had you there?—About 60 men. As soon as the snow fell some were sent up to Shebandowan to work and others were kept at Prince Arthur's Landing until the work would be properly commenced; because I considered it was much cheaper to keep them there and board them, than to take them back into the woods, and have them remain idle eating up provisions that cost such an enormous amount of trouble and cost to transport in there. I never did harder work, nor more faithful work; and more work was never done on the Pacific Railway survey in the same time that I did myself, that season. I ran 115 miles of the line myself where Mr. Moberly was ill and was not able to attend to it. Mr. Garden went easterly 76 miles and we only finished work and returned two week before the opening of the navigation at Thunder Bay. Yet here I am censured, dismissed, and my character belied for the purposes of the government. I mention these facts now in order to vindicate my own position and my professional reputation.

Q. Mr. Mackenzie has stated you were dismissed: what was the reason of your dismissal?—Mr. Mackenzie says he received a number of letters from Thunder Bay stating that I was not attending to my work; that I was a Tory of the most uncompromising character; and a number of other things of that nature.

Q. What was the date of your dismissal?—September 1874. I wrote a letter to Mr. Mackenzie at that time, a copy of which I will now read with the permission of the committee, and which will explain my position.

“ OTTAWA, December 4, 1874.

“ Hon. Alexander Mackenzie,  
 “ Minister of Public Works,  
 “ &c., &c., &c.,  
 “ Ottawa.

“ Sir,—I beg respectfully to draw your attention, as Premier of the Government and Minister of Public Works, to the extraordinary and unmerited treatment to which I have been exposed in carrying out the work entrusted to me in connection with the Canadian Pacific Survey.

“ You are already so far familiar with the subject to which I refer and so fully aware of the accusations made in secret against me, that I need only preface the demand which I am about to make for an investigation, by brief reference to the leading features of my case.

“ Last summer while engaged in prosecuting the work to which I have alluded, it appears, as I am informed, that certain letters were addressed to you, as Minister of Public Works, by a person or persons at Thunder Bay, denouncing me and the staff which I had the honour to command, in the most unmeasured terms.

“ Those private letters, from whatever source emanating were, as now further appears, considered of sufficient importance to cause an investigation to be ordered,

and to conduct this investigation, an officer was sent to Thunder Bay, where instead of investigating charges, he at once proceeded to act as if he had been directed to assume that these charges were proved. He took upon himself the direction of my staff, countermanded my orders, and otherwise treated me in the most contumelious manner, instituting no investigation whatever, that I am aware of.

"Knowing how important it was that the surveys should be completed, I suffered all this with patience, pressed on with the work, and at the close of navigation came to this place. I had been but a few days in the office assigned me here, when the same system of persecution was renewed by the same person, and I am now in receipt of your instructions conveyed through the Chief Engineer of the Pacific Survey, by which I am given to understand that my services will not be required in preparing plans of the work carried out under my direction.

"Under these circumstances, I believe I make no extraordinary request in demanding, with all due respect, the names of my accusers which I think it is not only fair and reasonable I should have, but to the advantage of the Department to give, for it has been rumoured that the charges emanated from a disreputable person who, when at Thunder Bay, made his home at times in a den of infamy; while as they have been considered of so much importance, I must assume that the contrary is the case.

"In the next place, I believe, I am justified in asking and have a right to ask for a copy of the communications in which the charges preferred against me are contained, so that I may be in a position to furnish rebutting evidence.

"You will, doubtless, perceive that this matter has wider significance than the mere depriving of an officer in the Public Service of employment, for if men entrusted with important duties and placed in positions which render them liable to such attacks are to be allowed no opportunity of defence when assailed however unjustly, what security is there! and if parties making slanderous accusations are to be permitted to do so in secret—to stab as it were in the dark—and shielded from the consequences, where are such attacks to end?

"The true course, would surely be to confront the accuser with the accused. This is all that I demand, and to whom am I to appeal, if not to the head of the Department in which I have served so long, and until now I am proud to believe with credit to myself and not without advantage to the public.

"I have the honour to be, Sir,

"Your obedient servant,

"WILLIAM MURDOCH."

Q. Were you permitted to examine the charges against you?—No. Mr. Mackenzie seemed to think I had ignored him, as head of the Department, as I had not written to him, I had addressed all my letters to Mr. Fleming as Chief Engineer to whom I was responsible. All I asked of Mr. Mackenzie was to give me an opportunity to have my case investigated. He denied me that justice, and now the charges are brought up against me here again by the government in order to traduce my character. When I went up to Thunder Bay in 1874 with two parties to locate the line, I had Mr. Moberley as one division engineer and Mr. Gardon as another division engineer, both in charge of parties. Mr. Moberley took the location from the west line of the town plot of Fort William to the Dawson Road, where I told Mr. Mackenzie was the head of navigation, and to commence his location, from that point, so as to allow Mr. Fleming to select the terminus grounds. Mr. Gardon took that part of the line from Strawberry Creek to Shebandowan and on towards Lac des Mille Lacs.

My instructions from Mr. Fleming were to have that line located to Shebandowan. I told Mr. Moberley that in view of the line of 1872 I wished to have the line run to the south, with a view to getting as good grades and as short a line as possible, and also to the north. He commenced work on that line, and spent more time as it than was anticipated, so he could not go to the north that summer. Consequently, he had to locate the road on the line that had been run the previous year,

so as to let it go to contract; and in the following spring we could have made the necessary alterations to the north of it. It was taken out of my hands, however, and I was not allowed an opportunity to do what has since been done. I admit, that the line that was located last year was shorter and better than the line I saw; because the work was taken out of my hands, and I was not permitted to finish it.

Q. When you reported to the Government in favor of a point further down the Kaministiquia what point had you in your mind at the time?—Any point between where the location was commenced and Fort William. I considered the location further down towards the mouth from the Hudson Bay post was too low and it would require a good deal of filling up to make it suitable for the purpose of the terminus.

Q. If you had been asked by the department you would have given your reasons for recommending the extension of the line towards the mouth?—Certainly, but my reasons were never asked; I was treated as a nonentity in the matter.

Q. Were you engineer of the Toronto & Ottawa Railway for a time?—I was.

Q. Do you know Mr. McClellan of Pickering?—Yes, very well.

Q. Did you propose at one time to enter into some contract together in connection with the Toronto & Ottawa Railway?—He proposed to run a line from Frenchman's Creek to connect with the Toronto & Ottawa Railway.

Q. But the scheme fell through?—Not that I know of; the scheme is still before the public, and it is to be resumed.

Q. I mean as far as Mr. McClellan and you are concerned?—Mr. McClellan has nothing to do with the Toronto and Ottawa Railway that I am aware of.

Q. However it practically fell through, the arrangement between you for making some money out of the construction of the branch road you speak of?—I proposed to make no money. Mr. McClellan spoke to me about making a branch railway and asked me what the probable cost would be, and if I would assist him in the matter. I said I would. He said it was a project that might be gone into, not for his benefit but for the benefit of those who were connected with it. I told him I would assist him all in my power if I saw my way to do it.

Q. Did you tell him when the thing broke down it was just like your luck?—Very probably I did.

Q. Did you refer there to this proposition to carry the railway down to the mouth of the Kaministiquia River, and state you had it in for the Government and that you had lost ten thousand dollars?—I distinctly deny it.

Q. Did you tell him if you had not been dismissed you probably would have made ten thousand dollars by it?—No. I told him I had lost ten thousand dollars; that in consequence of my dismissal from the survey I had lost ten thousand dollars.

Q. In connection with the railway?—No, in loss of salary.

Q. Why did you send Mr. Simpson to make this survey for Mr. McIntyre?—At the time Mr. Simpson made this survey he was employed by the Government as engineer and draughtsman, and he was stopping at Mr. McIntyre's. He was at that time doing nothing, as no work had come in, and Mr. McIntyre asked me if I would allow Mr. Simpson to strike off that plan for him. I said "yes." I considered as an official of the Government that after the many favors and courtesies the Government had received from Mr. McIntyre he was entitled to that slight favor.

Q. Mr. McKellar stated the other day in his evidence that he had never made an offer to sell you his farm for seventy-five dollars an acre, what was your understanding of the matter?—John McKellar came to me while I was in Mr. McIntyre's house and said to me he would like to sell his property, and he would sell half of his farm for seventy-five dollars an acre. I said, "John, I do not know any one who could give it to you now. I do not know any one who would take it, but if I hear of any one, I will let you know."

Q. Do you remember having made the statement of having lost ten thousand dollars?—I think I remember saying I had lost ten thousand dollars.

Q. Explain in what way you considered you had lost it?—The only possible reason that I could give for that loss, is that I lost two thousand

four hundred dollars a year and expenses in connection with my position on the survey. I had nothing whatever to do with any speculation at Prince Arthur's Landing, Fort William or, the River, as I own but one village lot there.

Q. In what year were you dismissed?—In 1874.

Q. When had you this conversation with Mr. McClellan?—Three or four months ago.

Q. How many years have elapsed since your dismissal?—Over four years.

Q. Have you been employed continuously in your profession since then?—No.

Q. You have been employed off and on by the Canada Central Railway Company?—Yes.

Q. And you were employed by the Toronto and Ottawa Railway?—Yes, for three months.

Q. And you located the Northern line of the Canada Central since then?—Mr. Mackenzie located it on my recommendation through Mr. Lumsden.

Q. Were you employed on the Georgian Bay Branch?—I was for a short time.

Q. Then, it was not all lost time?—No; but it would have been if I had been left in the hands of Mr. Mackenzie and the rest of the Government.

And further, deponent saith not.

WILLIAM MURDOCH.

OTTAWA, 29th April.

JOHN MACKELLAR, recalled and sworn, was examined as follows:

Q. Are you aware whether the Kaministiquia River has been entered regularly by the steamers this spring?—I saw two of them going in: the *Manitoba* and the *Manistee*.

Q. Did the *Manitoba* experience any difficulty in getting in?—She struck on the old crib that was put at the mouth of the channel.

Q. What time did she go in?—Between 9 and 10 o'clock in the evening she struck on the crib.

Q. Was it a dark night?—It was not a dark night.

Q. Were the range lights lit?—Yes.

Q. Had the river been examined as to the depth of water prior to that?—Yes.

Q. What was the depth?—The shallowest place I found was eleven feet eight inches on the bar.

Q. Were you on the tug that went up to examine it?—No.

Q. Were you on the tug taken up by Captain Anderson?—No.

Q. Would Captain Anderson have gone in with the "*City of Quebec*" if he could have obtained eleven and one-half feet of water?—I think the "*City of Quebec*" could have gone in. The channel is not wide, and it is very easy to sound it from the boat. I was told they could only get ten feet four inches, but I examined the channel and found eleven feet eight inches.

Q. Was the freight for Fort William discharged at Prince Arthur's Landing this spring?—It was discharged there, and I understood the *Manitoba* took it in.

Q. What depth of water did she draw?—Nine or ten feet I suppose.

Q. Did you, yourself, take soundings through the channel?—Yes. I went out with my brother when I heard there was only ten feet of water in the channel, and sounded it.

Q. What did you find?—Eleven feet eight inches.

Q. Is that the lowest water found?—Yes.

Q. Had this boat that stuck gone out of the proper channel?—She struck the old crib, and went on the other side of the channel.

Q. Who was the captain of the boat?—Captain Symes.

Q. Did you sound the whole channel?—Yes. I sounded from Oliver, Davidson & Company's mill down over the bar.

Q. Do you know what the soundings were last year?—They were supposed to have twelve feet of water in the channel last year.

Q. Did you find that the channel had been much filled up?—No, it has not filled up as you can find, from eleven feet eight to fourteen feet here now across the bar, but the Bay is from six to eight inches lower this year than usual. There is only one place where you can get only eleven feet eight inches on the bar, the rest of the channel is twelve to thirteen feet.

Q. How do you account for the vessel taking ground going in?—I think she was too close to the bank when she came in towards the range of lights before she turned, and had not room to go in. The captain told me when she struck on this crib, she went on the other bank.

Q. Was there water enough to take her in if she had followed the right channel?—Yes; she came out all right. I was on board of her coming out.

Q. Can vessels go into Prince Arthur's Landing at any time?—Yes; there is an open bay there and plenty of room. I would like to correct the report in the newspapers of my evidence of the name of the boat that had to leave Prince Arthur's Landing, because it could not land. It was the "Ontario" in 1874 instead of the "Quebec." The ice shove that I referred to took place in 1865. As far as Mr. Murdoch is concerned, it was in 1872 or 1873, I told him I would sell him some land at my place, because I thought the terminus should be opposite the Mission.

And further, deponent saith not.

JOHN McKELLAR.

APRIL 29th, 1878.

J. H. McCLELLAN, being called and sworn, was examined as follows:—

Q. Where do you reside?—In the township of Pickering.

Q. Do you know Mr. Murdoch, the last witness?—Yes.

Q. Had you some transactions with him?—We proposed having some—we had a transaction talked over.

Q. Had you any conversation with reference to the location of the terminus of the Pacific Railway at the Kaministiquia?—I could not say in reference to the terminus of the road; it was a thing I was not sufficiently posted in. When I was negotiating to get a branch railway from Pickering Harbor to connect with the Toronto and Ottawa Railway we did not talk much of anything else, but when the bonus by-law was defeated I met him at Duffin's Creek and he said it was just like his luck—he was then interested in the Toronto & Ottawa Railway—or something like that. I know, of course, that he had recommended the location of the Pacific Railway terminus at a different place from where the Government had selected it, and I knew it was a grievance between him and the Government. I also know from what conversation I had with him that he felt very much disappointed and annoyed at his dismissal, and said the Government had not made anything out of it, but he had lost ten thousand dollars.

Q. By the location of the terminus?—I would not say whether it was by the location or not, or through the cutting of his connection with the road.

Q. Did he tell you he had it in for the Government?—He gave me to understand that it was not the end of it.

Q. Did he say he had it in for the Government?—I cannot remember his words exactly.

Q. Was that the effect on your mind that he had it in for the Government, and that he had lost ten thousand dollars by it?—What I understood and was prepared to hear, was that there would be a Committee of this kind, and that those charges would be brought. That is the way I understood it—not altogether from him, but I felt that the thing would be enquired into whether the Government was right or wrong, or whether Mr. Murdoch was right.

Q. Did you infer that if the selection was where Mr. Murdoch had recommended it, that he would have made ten thousand dollars?—I inferred if the Government had

accepted his plans and recommendations, of course he would have been continued in the employ of the Government, and he would have had ten thousand dollars.

Q. Did you understand that was salary or from interest in property?—He just told me that he had lost ten thousand dollars through the Government. I would not say whether it was in dismissing him or not accepting his plans.

Q. You were then discussing the prospective advantages in the transaction you were jointly interested in when this conversation occurred?—Yes.

Q. Did he say it was always his ill luck?—When this by-law was defeated in Toronto, of course I felt that the Toronto and Ottawa Railway scheme was a failure, and the prospect of getting a coal station at our harbour was gone. When I met Mr. Murdoch I said it was too bad that the by-law had been lost, and he said it was like his luck, or something to that effect.

Q. Did he speak of the terminus at Fort William at that time?—I do not know that he spoke just about the terminus of the road. I never heard him speak of the terminus of the road any more than that the treatment he had received from the Government in not accepting his plans, and of their treatment in general. He was very bitter.

Q. Did he lead you to believe that he felt sore that the Government had not accepted his proposition to bring the terminus down to the mouth of the Kaministiquia?—Certainly, I understood that it was that and his dismissal. I looked upon the whole thing as one that if the Government had accepted his plans, he would have been in their employ yet, but as they did not accept his plans for some reasons of their own, which I do not know, he had lost ten thousand dollars.

Q. Was that because he was out of employment?—He did not say so, but that is his explanation of it.

Q. At what time was this conversation?—I suppose it was about four months ago.

Q. Did Mr. Murdoch describe to you any point on the Kaministiquia that he had recommended?—No, I do not know anything about the river, and I never asked.

Q. Had he ever any particular conversation with you about the Kaministiquia?—No, because I never enquired from him anything about it.

Q. Had you any reason for associating the terminus of the Kaministiquia with the loss of the ten thousand dollars, or was it simply lost by being thrown out of employment?—That is a hard question. Of course I do not suppose it is my duty to tell you what was in my mind at the time he said he lost it.

Q. What was in your mind?—It was this: that there was some way that Mr. Murdoch knew that he had some advantage. I do not know what way; I never asked him any questions about it, but as he says it was loss of salary I believe him—if he had told me that at the time either I would have believed him.

Q. But he did not tell you it was salary?—I believe one time he told me on the train he had a salary worth four thousand dollars a year to him—two hundred dollars a month and expenses.

Q. Was this prior to the conversation you refer to?—Yes.

Q. If it was true that Mr. Murdoch was employed there at \$2,400 a year and his expenses paid, and that he was dismissed without his case being investigated, would you not consider that he had some reason to entertain hard feelings against the government?—If Mr. Murdoch had \$2,400 a year and his board and expenses and was dismissed without any cause, if I had been in his place I would not have taken twenty thousand dollars.

Q. As an engineer would you not suppose that his character would be very much injured under such circumstances?—Of course I have heard Mr. Murdoch's part of it and knew he was very bitter against the Government, but at the same time I did not know the reason why, from the other side, he was dismissed. In fact I felt for Mr. Murdoch on account of his dismissal although we are on opposite sides in politics. I don't know how or why Mr. Murdoch was dismissed, or whether there was a dismissal or not, but if it is as he states, it was very wrong to dismiss him.

And further, deponent saith not.

J. H. McCLELLAN.



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**Addenda to Appendix No. 4.**


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CANADIAN PACIFIC RAILWAY,

OFFICE OF THE ENGINEER-IN-CHIEF.

OTTAWA, 11th December, 1875.

F. BRAUN, Esq.,

Secretary, Public Works Department.

SIR,—This time last year, the Minister instructed you to take the necessary action, under the Statute, with regard to obtaining a sufficient quantity of land for railway purposes at the Town Plot of Fort William on Lake Superior. On the 10th December, last year, I prepared and furnished you with a plan of all the lands required at that place, and which it was proposed to take immediate possession of. I am under the impression that you placed the matter in the hands of the Minister of Justice, in order that proper legal steps should be taken to acquire the land.

The land referred to consists of a number of small town lots, and I have recently been informed that these lots are still being bought and sold by private persons. It becomes my duty, therefore, to draw the attention of the Department to this subject, so that, if legal possession of the land has not been fully taken, no time may now be lost in the matter.

I am, etc.,

SANDFORD FLEMING,

*Engineer-in-Chief.*


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 OTTAWA, 24th July, 1876.

SIR,—I am desired by the Minister of Justice to instruct you to act as his agent at Fort William in connection with the purchase of lands to the west of that place for the Pacific Railway.

The Valuers, Messrs. Wilson & Read, have been instructed to consult you in reference to titles, etc.

The Public Works Department have been instructed to send you a form of conveyance to be taken.

You should, in taking surrender of any property, first report your own opinion on the title to this Department, enclosing draft conveyance and registrar's abstract, as also any other papers necessary to a clear conception of the title. If this is approved by the Minister, the same will be returned to you—when the deed should be executed and registered—the Registrar's abstract completed so as to show the title to the Crown and both these papers with Treasurer's and Sheriff's certificates and certificates as to Crown Bonds sent here with your bill of charges.

The purchase money will be paid by the agent of the Bank of Montreal at the nearest point, on the vendor proving his identity and producing a certificate from you to the effect that the land, briefly describing it, is vested with a perfect title in Her Majesty, free from all incumbrances whatsoever.

If you require further instructions, please apply.

I am, Sir,

Your obedient servant,

Z. A. LASH,

for D. M. J.

P. J. BROWN, Esq.,

Barrister, &amp;c., Ingersoll.

4—12

MINUTE OF AN UNDERSTANDING BETWEEN JAMES D. HENDERSON,  
OF THE CITY OF TORONTO, AND OLIVER, DAVIDSON & Co.

In regard to building the Joint Stock Hotel in Fort William, in which J. G. Vickers, Joseph Davidson, and Oliver, Davidson & Co., and others are stockholders, and the said James D. Henderson agrees to subscribe two thousand dollars in stock as soon as the stock book is presented: and it is further understood that the said Henderson is to have the privilege of leasing the hotel for a term of five years after completion, with a privilege of renewing for five more; said Henderson furnishing his own furniture; and it is now understood between O., D. & Co. and the stockholders, that it is expedient and necessary to proceed with the building of the said hotel at once: therefore it is understood that the said Henderson, he being a builder, shall proceed to build the said hotel according to directions to be given from time to time by the Directors of the said Company.

And it is also understood that said O., D. & Co. will furnish all lumber, shingles, lath, timber, stone, doors and sash and other wood work, for the purpose of building the said hotel, and charge to the Company a fair trade price for the same; and should there hereafter be any dispute between the Company and the said Henderson or Oliver, Davidson & Co., the same shall be left to arbitration in the usual way; and it is further understood that the said Henderson shall pay to the said Company rent at the rate of ten per cent. on the capital actually invested; and it is also understood that the lot to be built upon is belonging to Oliver, Davidson & Co., to be deeded to the said Company as soon as the Company is incorporated, for \$250, and that said Company shall have privilege of buying No. 34, south of Gore street, at the same price as the other.

It is further understood that the labour of the said Henderson and the men employed by him shall be charged as payment of the said Henderson's stock in the said Company, as far as the same shall apply, but not more than \$2,000; and should the said labour amount to more than \$2,000, the overplus shall be charged against the Company; if less than \$2,000, said Henderson shall pay the remainder of his stock in cash.

To the above, the said James D. Henderson and Oliver, Davidson & Co. have set their hand and seals, which is understood between them and the individual stockholders, and which is to be put in legal form as soon as the said Company is incorporated.

Signed in presence of the following witness, this 29th of July, 1875, at Fort William.

JAS. D. HENDERSON,

OLIVER, DAVIDSON & Co.

NEEBING HOTEL COMPANY.

*Progress of Work done up to date.*

FORT WILLIAM, 26th October, 1876.

The size of the first wing and easterly wing of the Hotel is 80x24; stands upon twenty-six tamarack posts, 6 feet 6 inches long, and all 10 inches through the middle. There are three sills 10x10 inches, down both front and back and middle, 80 feet long; two 24 feet at each end, the rest made up with 2x10 joists laid 20 inches centre to centre, and the floor of 1½ inch, tongued and grooved. The flooring laid on the second floor joists are 2x10, and floored with 1½ inch flooring. The front and back of the building is 2x4 studs, 16 inch centre to centre, boarded outside and inside with good

1-inch boards, and packed between with sawdust. The top ceiling joists are 2x8, placed 16 inches centre to centre. The rafters are 2x6, placed 2 feet centre to centre, boarded on top with 1-inch boards, close, and all shingled. The bottom floor is divided into four compartments, namely, one dining room 60x24, six windows and two doors and hallway leading into it; window frames or door frames not made; two bed-rooms, each 10x20, with one window and one door in each room, all finished and doors hung, and sash glassed, window in hall finished, and 4 feet by 4 of hallway wainscoted. The second floor is laid out in fourteen bed rooms; no window frames made or door frames here. There is also a back kitchen 16x25; frame up, boarded and shingled. Also, back shed 16x25, frame up but not shingled. The front building is 80x30 and constitutes the same class of material: it is just boarded outside and roof on and half shingled. On the east corner is a cellar 30x30 and 7 feet high, built with hard stone and blue clay instead of mortar. On the first floor is two rooms 16x24, three windows and two doors in first room finished. Second room, one window and front door to one inside door, all finished carpenter work; also, one room and bed room wainscoted 4 feet high all round. These two rooms are plastered and will be finished in a day or two. The rest of this flat is a main hallway 21x30, and gentlemen's sitting room 20x30, ladies' sitting room 15x30; this takes up all the lower flat. The second floor is laid out with ladies' private sitting room, hall, with door out on verandah. The rest is divided into eight bed-rooms, &c. This is as far as we have got until I hear from said Company.

Yours truly,

JAS. D. HENDERSON,  
Builder, &c.

Oliver, Davidson & Co., have rendered their account. I have looked it over and find it satisfactory up to date.

JAS. D. HENDERSON,  
Builder, &c.

REPORT AND MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE OF THE SENATE

APPOINTED TO INQUIRE INTO ALL MATTERS RELATING TO THE

FORT FRANCES LOCK.

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Printed by Order of the Senate.

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OTTAWA:  
PRINTED BY MACLEAN ROGER & CO., WELLINGTON STREET  
1878.



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## REPORT.

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THE SENATE,

COMMITTEE ROOM,

Tuesday 30th April, 1878.

The Select Committee of the Senate appointed to enquire :—

"1st. Whether the *Fort Frances Lock* when completed can be used for the purposes of commerce, in connection with the *Canadian Pacific Railway*, so as to form part of the through communication from *Lake Superior* to *Manitoba*, and if not, what improvements will be indispensable (in addition to the said *Fort Frances Lock*) to afford unbroken communication for Steamers between the Railway Stations of *Port Savanne (Lac des Mille Lacs)* and *Keewatin (Rat Portage)* and the probable cost of such improvements ?

"2nd. What will be the use to the Dominion of the said *Fort Frances Lock* if it cannot be used for the purposes of Commerce, in connection with the *Canada Pacific Railway*, so as to form part of the said through communication ?

"3rd. What is the distance between the said *Lock* and the point nearest to it on the *Canada Pacific Railway* ?

"4th. What are the dimensions of the said *Lock*, its estimated and probable cost, the amount expended upon it and upon works connected with it, or in any way incidental to it, so far as is known ; the appropriation from which the money expended upon it has been taken ; whether such application of the money has been in all cases according to law, and whether the said *Lock* is being built by contract or otherwise ?

"5th. And generally to inquire into all matters relating to the *Fort Frances Lock*, with power to send for persons and papers, and to report from time to time to this Honorable House."

has examined into the subject referred to, and beg leave to submit the following Report :—

That the evidence annexed hereto shows that the *Fort Frances Lock* is situated on *Rainy River*, about a mile and a half below where the river debouches from the *Lake* of the same name ; that it is intended to overcome a fall of about twenty-three feet, now passed by a portage ; that when the lock is completed and the obstructions at the *Manitou* and *Long Sault Rapids* on *Rainy River* are removed, there will be unbroken water communication from *Rainy Lake* to *Lake of the Woods* ;

That the evidence also shows that *Port Savanne*, where the *Canadian Pacific Railway* connects with the water stretches, is separated from *Rainy Lake* by nine portages, and that the difference in level between those two points is four hundred feet ;

That the evidence has satisfied your Committee that the *Fort Frances Lock*, when completed, will not be used for the purposes of commerce in connection with the *Canadian Pacific Railway*, so as to form part of the through communication from *Lake Superior* to *Manitoba*.

That, although the *Fort Frances Lock* would have been very useful pending the completion of the all-rail route had that by *Sturgeon Falls* been adhered to, your Committee considers it a subject for regret that the lock should have been commenced before the location of the *Railway* was definitely fixed, and when it was determined to change the route from that *vid Sturgeon Falls* to the present one *vid Port Savanne*, which is so far north as to render impossible the utilization of the water stretches in connection with the railway, your Committee is of opinion that the work upon the *Lock* should have been stopped.

The evidence shows that the Railway was placed under contract from *Fort William (Lake Superior)* to *Lake Shebandowan* on the way to *Sturgeon Falls* (on an arm of *Rainy Lake*) on the 13th of April, 1875; that the work thereon was stopped, and the contract cancelled on the 19th of January, 1876, and the location changed to that by *Port Savanne*;

That when the line of Railway was changed in January, 1876, the expenditure did not exceed \$73,940, and your Committee is of opinion that the work should have been discontinued then, especially as what had been done—being excavation in solid rock—would not deteriorate, and the work might be resumed at any future time should the public interests require its completion.

In November, 1875, which must have been about the time when it was determined to change the location of the Railway, the Department of Public Works telegraphed to the Superintendent of the Lock in the following words:—

“Close all Canal works at *Fort Frances*; suspend all proceedings.”

It might be inferred from this order that the Government, in consequence of the change of the location of the Railway, had seen the expediency of permanently discontinuing the works at *Fort Frances*; but unfortunately, in the opinion of your Committee, in April, 1876, the Department instructed the Superintendent to resume work upon the lock, by day labor. (*Vide* Return No. 88 to House of Commons, 1877.)

Mr. *Mortimer*, one of the Engineers examined by your Committee, stated in evidence that it was at one time contemplated by the Government to improve the *Dawson* Route; that in 1874 he was instructed to survey the portages and water stretches between *Lake Shebandowan* and the *Lake of the Woods*; that he had done so, and reported to the Department of Public Works on the improvements which he considered necessary. He estimated their cost—including those on *Rainy River*—at \$341,000. Mr. *Mortimer* understood that the Chief Engineer, Mr. *Sandford Fleming*, was of opinion that the advantages—necessarily only temporary—which would be derived from the proposed improvements would not be commensurate with their cost, and the project was abandoned.

Mr. *Sutherland* the Superintendent of the work at *Fort Frances*, detailed to the Committee a plan of his for improving the communication between *Port Savanne* and *Rainy Lake*. It is somewhat similar in design to that reported on by Mr. *Mortimer*, but much more temporary in character. His estimate of the cost was \$150,000. Mr. *Sutherland* is not an engineer, and did not make a minute examination of the route for the improvement of which he ventured to submit an estimate.

Mr. *Mortimer's* plan did not include a lock at *Fort Frances*, and the substitution of a lock for a portage at that point would be of no appreciable value as part of any scheme which did not provide—as a railway from *Lake Superior* to *Sturgeon Falls* alone would do—for avoiding the portages, and the ascent and descent of the 400 feet between *Rainy Lake* and *Port Savanne*.

Your Committee does not suppose that it can be intended, pending the construction of the central district of the *Lake Superior* section of the *Canadian Pacific* Railway, to connect the two ends of that section, now far advanced towards completion, viz: 114 miles from *Lake Superior* westward to *English River*, and 114 miles from *Red River* eastward to *Reat Portage*, over the short and steep portages, and in some cases rapid water stretches which lie between *Port Savanne* and *Rainy Lake*. If the Government had contemplated the adaptation of this route to the purposes of commerce, your Committee submit that the improvements should have been completed in time to have been available for the transport of rails and other railway materials to *Manitoba*, the freight of which, from *Duluth*, has cost the country, already—according to the Public Accounts, upwards of two hundred thousand dollars.

Your Committee, moreover, is of opinion that the many transshipments which would be unavoidable between *Port Savanne* and *Rainy Lake*, whether made in bulk or in detail, would prevent the route from competing successfully, in cost of transportation and in expedition, with lines of communication which are open through the

*United States*, especially now that railways appear to be on the eve of completion to *Manitoba vid Pembina*.

Your Committee may state that it is in evidence that when Messrs. *Carpenter & Co.* were contractors for transport over the *Dawson Route*, and received a bonus of \$75,000 a year from the Government, the charge for freight from *Lake Superior* to *Fort Frances* was \$40 a ton.

Your Committee ascertained that it is not the intention of the Government to propose the construction of the improvements necessary—in addition to the *Fort Frances Lock*—to afford unbroken communication for steamers between the railway stations of *Port Savanne* and *Rat Portage*, and, therefore, did not procure estimates of the cost of the great works which would be indispensable to attain that object.

Your Committee has failed to discover that the *Fort Frances Lock* can be of use to the Dominion. The evidence shows that it will not be of appreciable advantage even to the locality in which it is situated. The trade of the fertile Canadian bank of *Rainy River*, and of the whole country west of the lock, will seek the Railway at *Rat Portage*, and little or no portion of it will ascend through the lock and go eastwards, as, at the east end of *Rainy Lake* it will be confronted with the nine portages and the ascent of 400 feet which separates *Port Savanne* from *Rainy Lake*. The country on the Canadian shore of *Rainy Lake* is unsuitable for agriculture; a moderate trade in timber and saw-logs is all that can be expected to flow from that region. For the accommodation of such a trade when it springs up, a lock at *Fort Frances* will not be required; an inexpensive slide would answer every purpose, and even that would not have been needed for years. It has been suggested that the lock may be of service as a military work, but evidence was not taken on that point, as, in the opinion of your Committee, while the lock will be unused for commerce, it cannot be seriously contended that an isolated lock on the frontier of *Minnesota* may become a serviceable military work of this Dominion.

It was stated in evidence before your Committee that the distance between *Fort Frances Lock* and the nearest point of the Canadian *Pacific Railway* is between ninety and one hundred miles. The dimensions of the lock are: length, 200 feet; width in the clear, 38 feet; depth of water on the mitre sill at low water, according to Mr. *Rowan*,  $4\frac{1}{2}$  feet, and according to Mr. *Sutherland*,  $5\frac{1}{2}$  feet. The depth originally proposed was seven feet. It was stated by Mr. *Sutherland* in evidence that the expenditure upon the works, to the 30th June next, will amount to \$210,389; that the cost of the work, when completed, including the cost of removing the obstructions to the navigation at the *Manitou* and *Long Sault Rapids* on *Rainy River*, will not exceed \$250,000. Your Committee hopes that this sum will not be exceeded, as, in its opinion, the expenditure upon the *Fort Francis Lock*, whatever the amount may be, will prove to have been injudicious and altogether unprofitable to the Dominion.

The money expended upon *Fort Frances Lock* and the works incidental to it, was taken out of the appropriations made from time to time for the survey and construction of the *Pacific Railway*, and improvements on navigable waters in interior, in connection therewith. The works have been executed under the Government, by day labor, and not by contract, as required by the *Pacific Railway Act* of 1874.

All which is respectfully submitted.

D. L. MACPHERSON,  
Chairman.

## FORT FRANCES LOCK COMMITTEE.

SENATE, March 13th, 1878.

MARCUS SMITH, C. E., being called and sworn was examined as follows :—

Q. Are you the Chief Engineer of the Pacific Railway?—I am the acting Chief Engineer in the absence of Mr. Fleming.

Q. Have you brought the plans with you that bear on the subject of this inquiry?—Yes; I have brought with me all the plans bearing on the subject that I could think of.

Q. Is the railway constructed from Fort William as far as Port Savanne?—The grading is done as far as Port Savanne, and a little beyond it, but the rails are not laid more than forty-one miles. I am speaking from memory, but the distance is given in the annual report.

Q. At Port Savanne the railway connects with an arm of Lac des Milles Lacs?—Yes.

Q. And what is known as the water stretches?—The River Savanne flows into the lake and is navigable up to the railway station, or it can be made navigable up to the railway station.

Q. Do you know the depth of the river?—I do not. I have had very little to do with this portion of the line; my occupation has been principally on the British Columbia division until last year.

Q. Have you been at Port Savanne?—No. I was very near it. In 1876, I went over part of the surveys they were then making between English river and Rat Portage, and I passed through Lac des Milles Lacs, but I did not go up to Port Savanne, I went further to the westward. I have not seen the plan showing the depth of the River Savanne.

Q. Is it proposed to use the water stretches from Port Savanne to Rat Portage in connection with the railway?—I do not know; it has never been proposed to me, and I have had no instruction from the Minister about it.

Q. Is not a lock being built at Fort Frances?—Yes.

Q. Was it not expected that that lock was to be used in connection with the railway?—All that I know about it is from reports. As I have already told you, I was occupied on the other side of the mountains until last summer. I was instructed that the canal would be put in charge of the engineers of the Pacific Railway, but I do not know what purpose it was intended for. In fact, I did not know where it was until 1876; it was never referred to me at all.

Q. Were you ever called upon to make a report, or did you ever make any report on the subject?—No; I did not.

Q. Are you aware whether the work is recommended in any report by Mr. Fleming?—I cannot say; I know very little about it. I was so much engaged on the other side of the Rocky Mountains it was only within the last eighteen months that I had anything to do with this eastern portion. There has no report come through my hands, and I have not seen any.

Q. But have you understood that the Fort Francis Lock was being constructed for the purpose of being used in connection with the railway?—I understood so from the reports, and I have a map showing why the lock was commenced. It is a map of the Dawson Route, from Mr. Dawson's plan. I now produce a tracing of it, (marked exhibit "A,") which I found in the office. All that I know is from reading the reports. This plan shows the line of railway as originally intended, as well as the present located line. The dotted line shows the route originally intended, and

it was in connection with that line that the Fort Francis Lock was commenced. If that line had been carried out, this canal would have been of immense importance, but since the change of the line northward, it has lost its importance in connection with the Pacific Railway. When I say "lost," I mean it has greatly diminished or lost its chief importance so far as the Pacific Railway is concerned.

Q. Will it be of any importance in connection with the Pacific Railway?—It may possibly, and will probably be made of some importance. I can better explain it on the general plan of the Canadian Pacific Railway, published under the direction of Mr. Fleming.

Q. Explain how the lock can be of any importance in connection with the railway?—Plan ("B," ) now produced, is a plan that was printed two years ago—in 1876. It was made by Mr. Fleming, or under his instructions. It shows the course of the line from Lake Superior to the Pacific coast. The black portion shows the sections of the line under contract. There is a gap marked in red between English River and Keewatin (Rat Portage.) That gap is about one hundred and eighty-five miles in length between the two portions that are under contract. The difficulty in putting that under contract is its inaccessibility, as you can only get at it from each end. From Fort Frances you can reach an arm of Rainy Lake on the north side, which is navigable to a certain point that connects with a stream, and a chain of small lakes, which form a good canoe route to the very centre of that portion of the line which is not yet put under contract. That route could be made available to a certain extent, when that section is put under contract, for the contractors to get in supplies. There are eight or nine portages in it, and it can simply be considered as a canoe route. It is the only means of access, as the country is very rough and rocky, and it would cost a great deal to build a common road through it. Provided this section were put under contract, supplies could be got in from Fort Frances by canoes over this route. The Manitou Lake route I think they call it.

Q. Inasmuch as this is only a canoe route, what necessity is there for building a lock for steamboats at Fort Frances?—The two are incompatible, certainly, as regards their capabilities for traffic, I presume, if the canal had not been commenced and considerably advanced before the line was changed, the lock would not have been built.

Q. Is it not a fact that for the purpose of getting in provisions, the lock at Fort Frances would only cause an additional portage?—Yes.

Q. Will it not take as long a time to pass a canoe through the lock as to make the portage?—I think not; it is rather a rough portage, if not long. It takes more time to tranship goods, than to get a vessel through a lock.

Q. I ask you whether you consider, it is economical and expedient to build this one large lock at Fort Frances simply to connect with a canoe route?—I would not recommend a lock to be built simply for that purpose.

Q. For the purpose of commerce, will this lock be of any use whatever, in connection with the Pacific Railway?—Not in connection with the railway. In the meantime, during the construction of the railway, it may be of some use.

Q. Allowing the Manitou route to be as good as you describe it, the Fort Frances portage unimproved would have added little or nothing to the difficulty of getting up there?—It would not have been very great. It is a very limited means of getting in supplies, simply by canoes.

Q. And you are restricted to canoes there, are you not?—Yes.

Q. What is the distance from Rainy Lake to the located line of the railway by the Manitou route?—It measures sixty-five miles on the map.

Q. Is the water navigable from the point you start from on Rainy Lake?—I gave the distance from the navigable point from the north corner of Rainy Lake. There are thirteen miles out of the sixty-five in the centre of it that a small steamer could be put on. There is a portion of the Wabigoon Lake, near the present located line that would afford ten miles more navigation. That would make twenty-five out of the sixty-five miles that would be navigable for small steamers.

Q. Have there been any provisions taken in by that route?—Yes; there have

been some taken in there for the engineers. From points further westward they went through other routes.

Q. Is the railway finally located along the red line between English River and Rat Portage?—There has been a trial location made which will be subject to a very few changes before construction.

Q. Has any portion of it been put under contract?—Not any portion of that hundred and eighty-five miles.

Q. I understood you to say that it would be difficult of construction?—To have put it under contract, before the present time, would not have assisted the progress of construction much, because it is inaccessible until the railway is built up to English River from the east, and to Rat Portage from the west. Then, it could be constructed by commencing at each end, and this Manitou route would intersect it in the middle and assist in furthering the progress of construction.

Q. How soon do you expect these 185 miles to be finally located?—It is located now sufficiently to let out the contracts, and any minor improvements in the line may be made during construction.

Q. Is it proposed to let the contracts this year?—The Minister has not mentioned it to me.

Q. How long would it probably take to construct that section?—It is rather difficult to say that, on account of the difficulty of access to it. It would not take less than two years. I think it might be constructed in two or three years by putting it in the hands of an energetic contractor.

Q. Would not that be a short time to complete it?—I am giving the shortest time that it could be done in. It might possibly extend beyond three years, but it could be done in less than that if it was necessary to push it.

Q. Have you personally explored that line?—I have seen a portion of it. In 1876, when Mr. Fleming went to England, I acted in his place, and I went over a considerable portion of it, and touched it here and there, so as to get a general knowledge of the country. As I have already stated, the country is broken a good deal with rock and swamp. It is a rather difficult country, especially the fifty miles east from Rat Portage.

Q. Have you been up the Manitou route?—No; I had intended to go through that way but the wind kept me on the other side of the lake. There are the engineers who made the survey, Mr. Mortimer and others, who know that route, but I do not know it personally.

Q. Do you know the difference in level between Rainy Lake and that part of the line?—I do not know the difference exactly. I had a map with me with the levels marked on it approximately, but there is a considerable difference, two or three hundred feet or more. There are numerous rapids on the route, and some eight or nine portages between Rainy Lake and Wabigoon Lake. It is very similar to the Dawson route.

Q. When you get to the line of the railway are you on the level of Lac des Milles Lacs?—It is higher somewhat, I think; I am not sure where it is higher, but I know there are some points of the line higher.

Q. Is the Committee to understand you to say that, while the building of the Fort Frances Lock would diminish the number of portages between Rainy River and Lake Wabigoon by one portage, substituting a lockage for it, and thereby facilitating to a small extent the transport of supplies for the construction of the railway, that for the purposes of commerce the lock will not be of any use whatever in connection with the Pacific Railway?—I should think not for through commerce, but for local commerce it might be useful. The moment the railway is finished, of course, it is of no use at all for through commerce.

Q. Supposing that the line was completed from Lake Superior to Savanne, and the western section was completed from Rat Portage to Selkirk, and some years intervened before the intervening section was built, would the lock be of any use then?—That depends upon whether the Dawson Route could be made available for commerce so as to send it through that way rather than round by rail through St.

Paul's. I have not taken it much into consideration, but it appears to me it would not be a route that could compete with railways. It has not been used for public conveyance for two seasons past, but it has been used by parties constructing the lock and by surveyors. For passengers, who can tranship themselves, it might be used in the summer months, but for heavy freight there would be too many portages and the handling of it would cost too much. If the climate was such that the navigation would be open all the year round it might have been well to improve the portages and work them with tramways and stationary engines by cradling the boats and taking boat and all over. But the objection to that is the climate. Six months of the year the navigation is locked up and it cannot be used, while the plant is idle and there is the expense of looking after it.

Q. Do you know anything about the country on Rainy Lake?—Only what I saw of it from the canoe going down.

Q. Did you pass through there?—I travelled down the river in a canoe.

Q. In what year?—In 1876; there appeared to me to be some very fine land between Rainy Lake and Lake of the Woods. There is some flat land covered with poplar and oak on both sides of Rainy River. I camped two or three times on Rainy Lake. There is not much good land along the lake, but there is some very good pine along the borders of it.

Q. You did not camp on the Canadian side of the lake?—No; I was driven by the wind across to the other side and had to take refuge on foreign soil.

Q. How is the timber at Port Savanne, where the road is being built?—I was not at Port Savanne, but there is a good deal of tamarac between Fort William and Port Savanne—very fine timber for ties, the finest I have seen on that line. It is mixed with clumps of pine and cedar, but tamarac appears to be the principal timber.

Q. How is the timber between Selkirk and Rat Portage?—There is not much timber in the vicinity of Selkirk, but as you proceed eastward it improves. I know that the contractors have had difficulty in getting ties until they got twenty miles eastward from Selkirk, but after that they found it growing along the line of the railway.

Q. Is there much timber used in the construction of the railway?—It is proposed to use a very large quantity of timber in the construction of section fifteen, Mr. Whitehead's contract, from Rat Portage, thirty-five or thirty-seven miles westward, to Cross Lake. It is proposed to use it temporarily. It is a rocky, heavy section, and the expense of construction seemed to be so enormous that the grades were kept high, so that there will be far more embankments than cuttings. Long reaches of trestle-work will be used which will considerably reduce the excavations. But when the rails are laid so that earth and gravel pits can be reached, the trestle-work can be filled up. We are reducing the grade wherever earth can be found, so as to make a permanent embankment of earth instead of this trestle-work, which would require to be renewed every few years.

Q. Will the trestle-work be done away with altogether?—I fear not at once; but we will do away with as much as we can of it. It is very expensive making embankment of rock and in some sections it is difficult to get earth convenient.

Q. What is the timber on the section not under contract?—From what I saw, and from the reports of the surveyors, there is timber sufficient for railway purposes there. There are clumps of good pine and some of Prince's pine. The latter is not a very good pine, but it does for sleepers very well. I think there is sufficient there altogether, pine and tamarac, for railway purposes.

Q. How long is the life of pine and tamarac in trestle-work?—From ten to twelve years or longer. On the Hamilton and Toronto line, on which I was the engineer when it was constructed in 1855, some of the wooden bridges that were built then are standing still, or were recently. They have been repaired in great part, but I think they stood some twelve years before they were repaired.

Q. Is the timber in the Lake Superior district as good as that you have spoken of?—I cannot say. I suppose you are acquainted with the road between Hamilton and Toronto. The pine that grew along that line was very good. It appears to me

that the pine on the Pacific Railway is very good. The whole country in that section alluded to is rocky—a mass of rocks without any leading valleys; holes of swamps and flat pieces of land in which clumps of timber grow, but not continuous forests.

Q. How long will that trestle-work last without expensive repairs?—It was never intended to repair the trestle-work. I believe it is intended to go on at once as soon as the rails are laid and continuously fill it up with earth before the trestle-work should decay. The trestle-work was erected simply for the purpose of passing the trains over till less expensive material than rock could be reached for making the embankments. This is the very same way the Union and Central Pacific Railways were built. Large valleys were trestled over which were subsequently filled up with earth, and the process is going on still. There is a continuous process of construction going on after the road is in operation. We are avoiding that as much as possible; wherever we can find earth within convenient distance we use it for embankment.

Q. Would that not keep the capital account open for an indefinite period?—It would keep it open for a very long time, the capital account of the Central Pacific is not yet closed.

Q. What material are the culverts made of—on the C. P. Ry.?—They are made of wood. There are openings in the trestle-work, wherever a culvert is required, so wide that a culvert can afterwards be built of masonry. The culverts are all made of wood, but they can be renewed afterwards with stone, without interfering with the trestle-work. As for the trestle-work it will never, I think, be renewed after it decays.

Q. Which would be the cheaper way: to take in the stone now to build them, or to build them as at present with wood, and afterwards renew them with stone?—We could not build them with stone now. The country is so rough and there are no roads near the railway, and no suitable stone in convenient localities. In many places stone would have to be brought from a long distance to build even a small culvert, but after the road is constructed temporarily we can bring stone from convenient points by rail.

Q. The present construction, as far as it is carried out in that way, is merely temporary?—A considerable portion of it is temporary, as a means of economy. A large portion of the Central and Union Pacific Railways is constructed in the same way, although they are running through a dry open country, but we are running through a rough and rocky country for a long distance, where it is very much more difficult to build a road.

Q. How does this road compare with the Intercolonial Railway? It bears no comparison to the Intercolonial Railway. The Intercolonial Railway is one of the best constructed roads on the continent. There is no comparison between the countries either. We had roads running along the side of the Intercolonial, and material was convenient. It would be enormously expensive to build this road in the same style.

Q. How long does the timber in the culverts last?—I should say that it would last from eight to ten years; probably longer. Of course, there is one portion of the timber which decays much sooner than the other; that is the portion just over the surface of the land; the timber that is subjected to alternate moisture and dryness.

Q. Have you any personal knowledge of, or have you ever explored the line between Shebandowan and Sturgeon Falls?—On the line proposed for the railway, I have not, except what knowledge I got of it in travelling by canoe over the Dawson route.

Q. When the line from Shebandowan was put under contract, was it then the intention to go to Sturgeon Falls?—Yes.

Q. Do you know if the line was ever surveyed through from Sturgeon Falls to the Narrows of the Lake of the Woods?—I do not know that it was, but I have heard, in conversation with engineers of the staff, that the route by the Lake of the

Woods is considered impracticable. I do not know of my own knowledge that the route has ever been surveyed.

Q. Or the route from Sturgeon Falls to Rat Portage? I have seen lines of surveys on the plans, but I have no knowledge of them. (Plan produced by Hon. Mr. Scott marked "C").

Q. Can you tell us why the route by Sturgeon Falls was abandoned?—Not of my own knowledge, but I have heard that the route was not practicable.

Q. Was it ever thoroughly surveyed from Sturgeon Falls to Rat Portage?—I believe it has been but I cannot say. There have been a great many surveys made. I understood from conversations with Mr. Fleming that it had been surveyed, but I do not know it of my own knowledge. There is a plan in the office showing the various lines that have been surveyed, I have seen such a map. The plan "C" shows them.

Q. At the time Fort Frances Lock was commenced, I understood you to say that the proposition was to carry the railway by Sturgeon Falls?—I understood so; I had no charge of it, and I simply knew of it from conversation with Mr. Fleming.

Q. Supposing that route to have been adopted, would you have considered it a matter of the first importance to have constructed this lock?—Yes; that lock would have been of immense importance. It would have enabled us to take commerce through the moment we reached Sturgeon Falls. It would have put the route in operation some years sooner.

Q. Are there not some rapids above Fort Francis lock?—It is navigable up to Rainy Lake from Fort Francis, but there is a small rapid above and two below.

Q. Are they serious?—They are rather serious; the first is the Manitou Rapids; I speak from memory now. I think it is some thirty or forty miles below the lock on Rainy River. The Manitou Rapids are smooth, but they are very rapid. It is impossible for a steamer to go up there without using a warp or something of that kind. They warp steamers up there now. A steamer cannot be forced up there by the mere power of the engine, it is only navigable by warping up; the navigation is not good, it will require improvements.

Q. Assuming then that the navigation for small steamers can be made perfect from the east end of Rainy Lake to the crossing at Rat Portage, do you consider the construction of this lock at Fort Francis of importance to develop a local traffic that would be of immense use to the Pacific Railway?—I do not know what the produce might be; I could not answer the question. It will be a great assistance, whether there will be sufficient produce to require export or not, for there is a large amount of timber there. There is no doubt it will be an assistance that way, for all the produce from the head of Rainy Lake to Rat Portage will find an outlet, but whether there will be any produce about the Lake I do not know. There is good country down the river below the lake.

Q. Were you on board the large steamer on Lake of the Woods?—There was a paddle-wheel steamer there. It was not running when I was there, but she had been running; and the point she ran up to was Rat Portage, and from the North-West Angle across the lake up to Rainy River, and up to the foot of the rapids called the Long Sault.

Q. She could not ascend by warping up the rapids?—No; then a smaller steamer took her place.

Q. When was the steamer built?—I do not know. She was built some years ago. She was built by Mr. Dawson.

Q. Do you know anything about her cost?—No; I do not.

Q. Would the produce raised on the banks of Rainy River, immediately below Fort Frances, and all the way down the river, supposing the locks to be built, be taken to Rat Portage, or by a shorter route to the railway?—It would be taken to Rat Portage. It is down stream and easiest of access.

Q. What is the difference of level between Rainy Lake and Lac des Mille Lacs?—I do not know. I have not the plan with me.

Q. Is it about four hundred feet?—It may be three or four hundred feet; it is a few hundred feet, at any rate.

Q. Supposing this road to be completed from Fort William to Port Savanne, and from Rat Portage to Selkirk, would the Fort Frances Lock be then available for commercial purposes?—It would be available for people connected with the railway for construction purposes. Goods could be carried through that way, but it is my opinion they would be carried much cheaper round by St. Paul and Pembina, especially when the Pembina branch is built. It is no more impracticable now—in fact, it is better than it was when it was worked by Mr. Dawson, and goods were carried there then.

Q. But, for purposes of commerce, would it be available?—Commerce will find the cheapest route.

Q. Supposing that a train arrived at Port Savanne with two or three car-loads of freight, is it reasonable to suppose that that freight could be put on board of small vessels and carried down the Dawson route?—If the freight went to Port Savanne, I suppose it would go that way; but it is not reasonable to suppose that people will send freight to Port Savanne, as it would be cheaper to send it by rail from Duluth.

Q. Supposing you had a thousand barrels of pork to send to Manitoba, by what route would you send it?—I would send it by the cheapest route.

Q. Would that be the cheapest route?—No; I think it would not. It does not appear, at a glance, that it would be so.

Q. Would the Dawson route, five years ago, have been the cheapest road, when considerable sums of money,—in some years an amount fully equal to the whole expenditure on the Fort Frances Canal—were expended, be the preferable route?—I presume it was, or the Government would not have made it.

Q. Following up to Rat Portage on one side and to Port Savanne on the other by rail, is the route superior to what it was by the old Dawson route?—Yes; it is very much superior now to what it was when it was under Dawson. We have done away with three portages and we have rail for seventy miles... When the road is built to Rat Portage from Selkirk it will be very much better.

Q. When the two ends are completed, is it not a very much superior route to what the Dawson route was without the railway?—Yes.

Q. Do you mean to tell the Committee that the Dawson route as it is from Port Savanne cannot be used for purposes of commerce in connection with the railway, between Rat Portage and Port Savanne?—It could be used, but I question whether it will be the best route. I think the rail from Duluth will be the best. It can be used, but I cannot tell what the cost will be in comparison with other routes.

Q. Would it be used for commerce?—I do not know what it cost to take goods through that route, but I do say at a glance, without going into calculations, from what we know about railways and how cheaply they can take goods, it looks reasonable to suppose that the railway route will be taken. If I were told I could do it cheaper by our route, I might try it, but if I found it dearer I would go by the other route.

Q. Have you made any estimate of the trade that is expected on the two ends of the railway?—No; I have not seen any estimate nor have I made any myself.

Q. From your own knowledge of the country do you consider there will be any considerable commerce between Fort William and Port Savanne?—There would not be much except in connection with the railway in the construction of the line. That is the principal commerce that exists at present—that is, sending in supplies and plant and people connected with the construction of the railway. But there is a considerable quantity of good land extending out twenty or thirty miles from Fort William.

Q. Then between Selkirk and Rat Portage what traffic do you expect?—I should not expect a large business. There is not much in the country except timber.

Q. In the event of our sending up men and stores, or troops, will the construction of the lock at Fort Frances be a material advantage before the railway is completed?—It will be of this much assistance: that it will save one portage, but that is the extent of the assistance it will be.

Q. With that improvement, will not the same steamer be able to carry the men from Sturgeon Falls through to Rat Portage?—Yes; if the rapids were improved

below. I may say that there is a small steamer which plies now from Fort Frances to points on the Lake of the Woods. She runs down the stream well enough, but coming up stream she has to be warped up the rapids.

Q. There was a small steamer running on Rainy Lake above the lock there?—Yes; she is a larger steamer than the one coming up the river. I do not know exactly her size; but, from my recollection of her, she is too large to come down the river. She runs from the head of Rainy Lake to the lock.

Q. If the lock was completed, how far could she go down?—I do not know what depth there is in the river between that and the Manitou Rapids. If there is depth of water enough, there are no rapids to obstruct a steamer. I do not know what the depth of the water is; it varies, and there are some sand bars here and there. There is shoal water and a rapid just a short distance above the lock. Below the lock there is the Manitou Rapids, about thirty miles down, and below that again there is the Long Sault Rapids.

Q. Rainy River is the boundary between Canada and the United States, is it not?—Yes; it is.

Q. Do you know the depth of water on the sill in the Fort Francis Lock?—No; I have not looked at the plan lately.

Q. We know that it was laid out for seven feet, but we heard the depth was reduced. Do you know whether it is so or not?—I heard of the alteration having been made this last summer for a less depth than formerly.

Q. Do you know what it has been reduced to?—I do not remember.

Q. You are the Chief Engineer of the Pacific Railway?—Yes; acting Chief Engineer.

Q. Is not this lock considered a part of the railway?—Since last summer. When starting out, I was informed by the Minister that, by an Order in Council, it had been transferred to the Pacific Railway. When I went through there in 1876, it was not under the Pacific Railway. I had nothing to do with it then, and did not pay much attention to it.

Q. What is the date of the Order in Council?—I do not know what the date of it was, but I was informed of it last spring when I went out, to have the canal inspected.

Q. If the change in the depth of water in the lock was made, would it not be made by your orders?—Not by my orders. It was the engineer connected with the canal who drew the plans, and I understood it was not Mr. Fleming who made the alteration. It was not by my orders it was made. I heard of it last fall in Winnipeg. I think the change was not made before I went out. I had no knowledge of it, but know it was not made from any recommendation of mine.

Q. The lock was really under your charge as part of the Pacific Railway?—It is under my charge now. Mr. Smellie now informs me that the information with regard to the change of the lock came to the office in my absence during last summer.

And further, deponent saith not.

MARCUS SMITH.

Capt. JAMES DICK being sworn, was examined as follows:—

Q. Are you well acquainted with the country known as Dawson Route, from Lake Superior to Lake of the Woods?—Yes.

Q. How did you come to get your knowledge of it?—I took a large quantity of machinery and provisions through from Thunder Bay, to build the boats at Fort Frances.

Q. Did you build the steamers now on Rainy Lake?—Yes.

Q. And also the steamer that is on Lake of the Woods?—Yes.

Q. What draught of water has the steamer that is on Rainy Lake?—it was draughted for three feet, and the Lake of the Woods steamer was something the same---about three feet, I think. I do not know what they are drawing now. They

are getting a little water-soaked, but the intention was that the draught should be about three feet.

Q. Did they not draw more than that when they began to run?—I do not know. I was not there when they began to run.

Q. What size was the steamer that was on Rainy Lake?—About one hundred feet in length, and five and a half to six feet of hold.

Q. I understood you to say that you took the machinery for those steamers through; did you take it through by the Dawson Route, or by what way did you take it from Fort William?—We went first to Shebandowan and then boated up to Cashebowie, thence to Lac des Mille Lacs to Baril Portage, and then down from Lac des Mille Lacs by the Dawson Route.

Q. Did you find it an easy matter to take machinery through there?—No; not very easy.

Q. Was it a matter of very great difficulty?—No; not very great difficulty, but it was very tedious, and it took a long time.

Q. How long did it take to convey a load through from Fort William to Rainy Lake?—We took the machinery—the greater part of it—as far as Brulé Portage in the fall, and took it from Brulé Portage to Fort Frances the next summer, and arrived at Fort Frances on the last days of October. We left Brulé Portage on the nineteenth of June, and got to Fort Frances about the last day of October.

Q. So that it really took the best part of two seasons?—The machinery only arrived from Hamilton late in the fall. We could have got it in much sooner but for that.

Q. Can you tell us what it cost you per ton to get it through?—No; I could not say what it cost.

Q. Are you familiar with the water stretches down to Fort Frances and Rainy Lake?—Yes; I am quite familiar with them all.

Q. Do you know where Fort Frances Lock is being built?—Yes; I know it very well.

Q. Do you think the water stretches, supposing Fort Frances Lock were finished, could be used for purposes of commerce, in the shape they are now—I mean the water stretches from Lac des Mille Lacs to Rainy Lake?—They could be used for commerce, but it would be a very extraordinary way of taking commerce. That is my experience.

Q. Do you think the expenses would be such as to render their use practically impossible?—Yes; I should say, with the cheap freights going now-a-days, it would be perfectly absurd.

Q. Would it be a costly matter to improve the navigation so as to make it possible and easy, so that, for instance, steamers could ascend from Rainy Lake to Lac des Mille Lacs?—It would be very expensive.

Q. Do you know anything of the Rapids below Fort Frances?—I was down there once. I went down as far as Hungry Hall, at the foot of the river.

Q. Do you know anything of the rapid at the head of the river?—Yes, I know it very well.

Q. Does the large boat go down there?—I understood she went down there and up again, once, but the water is very shallow.

Q. Does she do it as a regular thing?—No; certainly not. The water gets too shallow in the fall.

Q. Can you state to the Committee, approximately, what it cost per ton to take your supplies through from Lake Superior to Fort Frances?—I do not think it cost less than one hundred and forty dollars (\$140) per ton. I could not give the exact figures, but it was about that.

Q. From Lac des Mille Lacs, what do you think the cost would be—from Port Savanne to Fort Frances?—It would be just the same, in proportion, according to that distance.

Q. That would be about one hundred dollars per ton?—I should think it would be very close to it. I could not tell you the proportion or the length of time.

Q. Supposing you were asked to make a contract to carry goods from Port Savanne down to Fort Frances, what would you take per ton to do it?—I would require a pretty round sum.

Q. In fact the route is not one that anybody would take for purposes of commerce?—If there were tramways constructed at the portages, or if the portages were put in the same shape that they were when Dawson had the road, things could be carried over it at very great expense.

Q. It is not a feasible route for commercial purposes?—No; not as it is now.

Q. If you started from Ontario with merchandise for Winnipeg, would you think of taking this route?—Oh, no.

Q. And the construction of the lock at Fort Frances diminishes the difficulty by one portage only?—Yes, by only one portage.

Q. Was the portage at Fort Frances the most formidable portage between Lac des Mille Lacs and Rainy River?—It is a level portage.

Q. But there is no other two portages together, that will, by overcoming them, give such a water stretch as that?—It is a short portage.

Q. But there is no other impediment on the line of communication which, if renewed, would give such an extended navigation?—There are two enormous water stretches, one above and one below the lock.

Q. Does this lock at Fort Frances connect those two water stretches thoroughly?—No, the rapids will have to be cleaned out.

Q. What depth of water is there in the river in the fall of the year, above the rapids?—I was there in September, and I could walk across the river below the falls at Fort Frances into Minnesota, with the assistance of a fishing pole. There was very little water going over the fall at that time of the year.

Q. How long did that low water last on the average?—I left there on the first day of November. Taking an ordinary season, the water is very low.

Q. So that, if navigation is open six months in the year, would the water be, two months out of the six, too low for navigation?—Yes.

Q. Do you know the depth of the water thirty miles below—at the Manitou?—I do not know. I am not so familiar with it down there, but the rapids were very shallow when I was there.

Q. So that the construction of Fort Frances Lock alone, by no means renders Rainy River navigable?—No; these three impediments have to be removed.

Q. Do they require locks?—No; in my opinion just to blast out the rock would be sufficient.

Q. Would a lock be required at the lower rapids?—No; I think that blasting would do there.

Q. Do you know anything of the country on our shore of Rainy Lake?—Yes.

Q. What sort of country is it?—It has very nice-looking patches of land along the river.

Q. But I speak of Rainy Lake?—I have not seen any good land, at all, along Rainy Lake fit for cultivation. There might be some back at a distance, but there is none along the lake.

Q. You were the overseer at the construction of those boats?—Yes, I supervised the building of the boats, got them drafted, and took men there.

Q. Were the boats built by contract or by days' labour?—They were first undertaken by contract, but the contract was abandoned, and they were afterwards finished by days labour. I got my provisions burned up by the fire, and the Indians frightened my men away. I had neither law nor order to keep them then, and I had to give the contract up.

Q. You spoke of the cost of carrying provisions through, as \$140 per ton; can you give an idea of what the steamers cost?—They cost an immense amount of money. I never saw the figures.

Q. What do you suppose the steamers cost when completed; was it \$150,000 for the two?—I did hear the cost; but I forget what it was.

Q. Was it fully that sum?—I would not like to say what it was, but I know the amount was very large.

Q. It is an expensive place to do work in?—Yes; It would not have been so expensive if the Indians had not driven my men away, and our provisions had not been burned up at the time of the fire. We were subject to a great many difficulties at that time.

Q. Have you been there lately?—No; I was there in 1872 or 1873, or 1871. And further, deponent saith not.

JAMES DICK.

OTTAWA, March 16th, 1878.

HENRY J. MORTMER, C.E., being called and sworn, deposed as follows:

Q. Are you an engineer?—Yes.

Q. Have you been in the employ of the Government?—Yes, since June 1872 until about three weeks ago.

Q. Did you survey what is known as the Dawson Route?—Yes, I made a survey of all the portages on it.

Q. When did you do that?—In the fall of 1874. The report was made out in 1875.

Q. Did you survey the rapids below Fort Frances?—I did not survey them, but I took notes of them.

Q. How did you inform yourself with respect to them?—As we were coming up we were delayed a considerable time at the Long Sault, and I had ample opportunity to take all the notes I wanted.

Q. How did you ascend the river?—From the North West Angle through Lake of the Woods in a steamer.

Q. Was it on board the regular steamer that navigates the Lake of the Woods that you went up?—No, we only came to the Long Sault on her; then there was a transshipment and we took a small steamer from there to Fort Frances.

Q. What would be necessary to make the navigation of the river suitable for the steamer of the Lake of the Woods?—From what notes I took there, I came to the conclusion that at the Long Sault there would be about two hundred feet of solid rock excavation necessary, and 400 feet of the river bed would have to be cleared from the boulders. The excavation would have to be about an average depth of three or four feet. It is very hard to tell the exact quantities without having detailed plans of it, which I had not at the time.

Q. But that would only give four feet of water?—It would give more than that; it would give six feet of water at low water with those improvements.

Q. What else would be necessary to give six feet of water all the way up to Fort Francis?—There would have to be an improvement made at the Manitou. I estimated that there would have to be about three hundred lineal feet of rock excavated and to the depth of five feet to carry the channel upon the Canadian side. If the improvements were made on the American side it would not require so much work, because the present channel lies along the American shore. It is a short rapid but very swift, and there are no boulders either above or below in the channel.

Q. On what side is the channel at the Long Sault?—It is immaterial there, because the river is the same depth across. There is very little difference in the formation of the river bed on either side.

Q. What is the fall including those two rapids from above the Manitou to below the Long Sault?—I should say there is something like ten feet fall between those two points. That is from above the Manitou to the foot of the Long Sault. The Long Sault rapids are two miles in length and there are six or seven miles between them and the Manitou. The Manitou rapids are not more than six or seven hundred

feet long from end to end, the distance would be about nine miles from the head of the Manitou to the foot of the Long Sault.

Q. Could the difference in level be overcome without a lock or dam?—I think so. Even in the present state of the rapids if the boat was properly engined she could come up, but, of course, it would be difficult.

Q. Drawing how much water?—Not more than two and a half or three feet of water. She would have no difficulty in coming up the Manitou rapids, drawing more water than that.

Q. Would not this excavation you propose at the rapids lessen the depth of water in the channel between the rapids?—There certainly would have to be wing dams put in at intervals to keep the water in the channel.

Q. Is it likely that any boat constructed for the trade on that route could ascend the rapids as they are at present?—Yes.

Q. Could she tow anything up?—She could tow very little.

Q. Was the freight that passed over the route carried on the steamer or towed in barges?—she brought it to the rapids and then there was a gang of men there that transhipped it to barges towed by a smaller steamer. These barges had to be pulled up the rapids by the men. Sometimes the steamer could go up herself without the barges, but she generally had to be pulled up in the same way as the barges, according to the state of the water. Then when they got to the head she hitched on to the barges again and proceeded to the next portage.

Q. Could a properly engined boat having power to steam up the rapids herself tow anything after her?—No. Last October twelve months, I came up there. We started up the rapids and pulled up our boats. The steamer was tried at it alone with 104 pounds of steam on. She got up half way, when she had to back down again. The engineer then got up a head of steam to 112 pounds, and she managed to make her way through, but when she got up she had only 64 pounds of steam on.

Q. You said that dams would be required?—Yes, I think they would be necessary.

Q. They would only be of a partial character though?—Not very extensive; just sufficient to direct the water into the channel.

Q. Not to dam it at all?—No.

Q. You have surveyed all the portages from Rainy Lake up?—Yes.

Q. There is an obstruction above Fort Frances. Do you know anything of it?—Yes, I took the levels of it, and I never looked upon it as an obstruction of any consequence whatever, as I knew perfectly well it could be easily overcome by modifying the dams at Fort Francis. That would dam the water back so as to drown the rapids out.

Q. Would it drown any part of Minnesota?—No, the banks are high, and although the water has been raised I understand about two feet or two feet and a half in the river, still there are no signs of flooding as the banks are six or seven feet high.

Q. There are no inlets to carry the water in?—No.

Q. Then from Rainy Lake what obstructions are there?—From Rainy Lake there is a stretch to Kettle Falls, variously estimated at from forty-five to forty-nine miles. There is one obstruction there. In low water there is a place called the Narrows, where there would have to be an excavation in the rock. When the boat draws more than three feet six or three feet seven of water, she very frequently sticks there.

Q. Is it rock excavation?—Yes.

Q. What extent of excavation would be necessary there?—About four hundred lineal feet would be required to be taken out there.

Q. To what depth?—About two feet would be sufficient.

Q. What width would you consider necessary?—About sixty feet. I should say the distance being so short a boat could get through that width without danger.

Q. Do you know where Port Savanne is?—Yes.

Q. Did you survey any part of the Pacific Railway?—Yes, hundreds of miles of it.

Q. Between Lake Superior and Red River?—Yes.

Q. Did you locate the line between Lake Superior and Port Savanne?—No, I was on a more westerly portion than that. I ran several preliminary lines in that direction, but I located the line directly north of Fort Francis, a section of about seventy miles.

Q. Is that located?—Yes; it is what is called preliminary location. Of course it is subject to changes.

Q. Do you know Port Savanne?—Yes; I know where it is. When I was there, there was no such thing as Port Savanne then.

Q. Do you think that route between Port Savanne and Rat Portage could be used for purposes of commerce?—It is possible that it could be used, but it would necessitate a very large outlay upon the Dawson Road, that is, to render it any way fit for commerce.

Q. Would not the expense render it impossible?—That is a matter of opinion. I could not say as to that.

Q. Have you any idea as to what the expense would be?—I should say that the expense of improving the road into any kind of shape to carry ten tons a day would be some thing in the neighborhood of three hundred and fifty thousand dollars.

Q. Ten tons is only a car load, is it not?—It would be about a car load and a half. It would be a different kind of car that they would use there altogether, because they would be putting in tramways, and it would be trucks they would use instead of cars.

Q. Do you mean that sum to include both rivers and portages?—That would be by putting tramways on the portages and supplying three of them with small locomotives—the three longest—and improving the rapids.

Q. Why only ten tons a day? Why not a hundred tons?—If you were to make it for one hundred tons, it would cost a great deal more. I don't believe that there will, for a great many years, be more than ten tons a day going over it.

Q. Does that three hundred and fifty thousand dollars include the expenditure on the rapids below Fort Frances?—Yes.

Q. You say that you surveyed the country north of Fort Frances from Rainy Lake?—Yes.

Q. Is that a country fit for cultivation?—On the portion that I was over there are some parts of it in which there is some fair land. It is in patches here and there. There is one stretch of about five miles where there is very fair land.

Q. Where is that?—For about the first thirty miles from what is known as Thunder Lake there is probably ten or twelve miles that there is good land on, and from that to Rat Portage there is nothing. From Thunder Lake to Rat Portage is about one hundred and ten miles.

Q. Is that country likely to be settled?—No person would settle in it.

Q. Is it suitable for agricultural purposes?—No, it is not; it is mossy rock and scrub timber.

Q. Are there any minerals?—I saw no traces of them.

Q. Is the country bordering on Rainy Lake one likely to furnish business for the Fort Francis Lock?—No, not on Rainy Lake. There is a very fine strip of land running the whole length of Rainy River from two to eight miles wide.

Q. Would the produce of that country go to Rat Portage or to Rainy Lake?—The easiest way to get it out, as a matter of course, would be to take it up to Rat Portage.

Q. Practically, would it not be the only way?—At present it is the only way: if these improvements were made it would be quite possible to get it either way.

Q. Suppose the railway to be built through, sometime or other, as contemplated, how would the produce of this country be taken out?—Certainly to Rat Portage.

Q. Notwithstanding the existence of the Fort Frances Lock?—Certainly.

Q. What is the distance from Fort Frances to the railway?—It is about ninety miles. In a direct line it would be about seventy or seventy-three miles.

Q. What route do you speak of as being 90 miles?—The Manitou canoe route.

Q. Are there many portages on this canoe route?—There are nine. Two of them are four miles long.

Q. Did you take the soundings of the Long Sault?—No; I did not take any soundings, but I could see quite clearly. Mind, you must take what I have said of the Manitou and Long Sault approximately.

Q. Still, if you were called upon, as an engineer, to make an estimate, you would take soundings?—No; it can be done approximately without necessarily taking soundings.

Q. Could you tell the ordinary depth of the channel without taking soundings?—A man can tell the depth of two feet of water without taking soundings.

Q. Do you recognize the plan, exhibit "E"?—I do, but I don't believe it shows anything like the amount of obstacles that are in it.

Q. Would you be very much surprised should the figures on that plan represent the actual depths of water in the channel at low water? Name them.—Nine and a half, eleven, fifteen, fifteen, fifteen, as marked on the plan. The obstructions caused by boulders in the rapids of the Long Sault are not shown on the plan "E." What I refer to as the solid excavation is the cutting through the tongue of rock shown on the plan.

Q. Can you form any idea of the breadth at that point?—It is impossible to say now; it is a long time since I made my observations.

Q. I am advised that it is a hundred feet?—I dare say, but it is all broken with boulders.

Q. Would you be surprised to learn that the boat with the small power she has, went up there every week last summer?—I would not, but I would be greatly surprised to learn that she went up at all seasons.

Q. Do you know Captain E. McCrosky?—I know a store keeper of the name of McCrosky, and he may have dubbed himself Captain since then for all I know.

Q. Did I understand you to say that there was, by keeping near the American side, a sufficient channel for boats in the Manitou?—Yes, it is right in near the rock on the American shore.

Q. Would these improvements be necessary to keep a deep water channel?—No, not to the same extent, but some improvements would be required: as it is, the whole force of the water is confined to a narrow space, and there is a sudden fall there.

Q. Do you know where the Lake of the Woods steamer was built?—At Fort Frances.

Q. Then, she must have got down Rainy River?—She got down, but she had to stop there.

Q. Does the level of water vary at Fort Frances?—Very much, indeed: as much as five feet, I should say.

Q. So that this boat, when there was eight and a half feet of water in the river, was able to go down?—The Lake of the Woods steamer only draws three feet of water.

Q. Has she ever come up?—No.

Q. You are satisfied that above Fort Frances a very slight improvement is all that would be necessary?—It would need very little improvement; it is now drowned out.

Q. You are aware that the boat now runs to the dock at Fort Frances?—Yes, I have gone up and down on her myself all one season.

Q. Was that before the rapids were drowned out?—No, when I was in charge of the works I put in another forty feet of a dam that enabled her to run up and down all the next season.

Q. What was the cost of it?—I could not say. I suppose it cost probably two hundred and twenty dollars or so. We had every facility there to do it.

Q. Were you on the section between Shebandowan and Sturgeon Falls?—I was on a portion of it running a preliminary line, but not since the location was made.

Q. Were you one of the party that endeavored to find a route by Sturgeon Falls?

—Yes, I was on the portion that was next Shebandowan, but Mr. Garden was on the portion that went to Sturgeon Falls.

Q. Then you were not on the section where the impediments were discovered to be?—No, I have been over a portion of the country on my way going to my other work, in every year.

Q. Did you consider that sufficient efforts had been made to find a route by that line?—Yes, there was a line ran right through, up to Eagle Lake, from Sturgeon Falls. It was run with a view of getting to Rat Portage.

Q. Was that possible?—No, it was a very bad route indeed. In fact, impracticable.

Q. Do you know that of your own knowledge?—No; only from the engineer.

Q. Did you go by that route at all?—I just passed on part of the line. I was crossing the route going up to my work. I do not suppose I was on two miles of it altogether.

Q. As I understand you, you were going to the present located line?—Yes; we used a part of it as a pack road.

Q. Were you enabled to form any opinion of the difficulties?—No.

Q. What other engineers were on that?—Mr. Garden was the gentleman who had charge of the party. He made that survey between Sturgeon Falls and Rat Portage, I may say.

Q. Had Mr. Fleming been there himself?—I could not say.

Q. Was Mr. Munroe there?—I don't know.

Q. Do you know at what time the route between Shebandowan and Sturgeon Falls was abandoned?—I could not tell you indeed, because it is a thing that occurred in the office, and I don't know what time it was.

Q. Did you take soundings at the Narrows?—No; I did not. It was not necessary. I knew what the vessel was drawing, and I know we were stuck there for a day and night. I know that the steamer stuck there five times that season. I know that they sent out a boat several times and took soundings in order to get a channel and they could not find one.

Q. Would you be surprised to hear that a boat went through there regularly this last summer?—I would not be surprised at all, because it was only in low water that she stuck.

Q. Would you be surprised to know that she ran regularly in low water last year?—The water may not have been very low last summer. All that I know about it is this, that she stuck five times there that season, and that we got out a boat and tried around every place with a pole between that island on the parts marked "A" and "B" on the plan "F," and we could not get a channel. I have known as much as four or five feet of difference in the water in different seasons in that lake.

Q. Do you know the handwriting on exhibit "G"?—I know the man Captain McCroskey, and I know that the man, who runs the boat, has an Indian pilot that has been running her ever since she first started, and if anybody knows the channel he should know it. So much, were they afraid of her sticking that when we were leaving Kettle Falls to go to Fort Francis, the Captain put ten tons out of her in order to lighten her to get her over. To follow the channel in the Narrows of Rainy Lake the boat has to turn a right angle nearly in her own length. It is almost an impossibility to keep her in the channel, it is so difficult to make the turn.

And further deponent saith not.

HENRY IVIE MORTIMER.

J. WALTER DICK, called and sworn, was examined as follows :—

Q. Are you familiar with the Dawson Route ?—Yes.

Q. How did you obtain your knowledge of it ?—I was employed in the Dawson Route for two years, or rather two seasons of navigation by W. H. Carpenter & Co.

Q. Were they the Government contractors for keeping the Route open and transporting passengers and freight ?—Yes.

Q. What year had they the route ?—In 1874 and 1875.

Q. Can you tell us how many passengers they took through in each year ?—No, I could not. I should imagine they carried one thousand passengers in 1874. It is merely an estimate. I don't think they carried fifty through passengers in 1875. They carried a lot of passengers to Fort Frances, how many I could not say, connected with the work on the lock.

Q. But the passengers who went through in 1875 were chiefly connected with the public work at Fort Frances ?—Yes

Q. Have you any idea of how many tons of freight you put through ?—No, I could not say how many we did take through—about four hundred tons, I imagine.

Q. Was it an easy matter to take freight through ?—No, very difficult.

Q. How many portages were there ?—Do you refer to the whole road ?

Q. Yes, to Rainy River.—From eleven to fifteen portages, according to the height of water, between Shebandowan and Fort Frances. I count the Fort Frances portage in that.

Q. Supposing you had two or three tons of freight at Prince Arthur's Landing, how would you proceed to take it from there to Fort Frances ?—In the first place we would load them on a wagon which would carry about fifteen hundred pounds, and it would occupy two days in going to Shebandowan. They would then be loaded on a tug at this end of Shebandowan lake and run across, twenty-two miles to Kashabowie Portage which is three quarters of a mile long. The freight is teamed across that Portage to Kashabowie Lake where a tug takes it thirteen miles, I think it is. That takes it to the Height-of-land Portage, which is a mile and a half long. It has then to cross Lac des Mille Lacs twenty-two miles on a tug. You make all the water stretches in tugs with one exception. You then strike Baril Portage which is a quarter of a mile long, after which you traverse Baril Lake which is nine miles long, to Brulé Portage which is half a mile long ; then across Windigoostigoon Lake sixteen or eighteen miles to French Portage which is two miles long ; then across Lake Kaogassikok eighteen miles to Pine Portage which is a quarter of a mile long ; thence across Pine Lake to Deux Rivières Portage which is half a mile long ; down Deux Rivières Creek one mile and three quarters, and then across Sturgeon Lake about twenty miles. You then strike the Mailgne River at the west end of Sturgeon Lake. Here there are one to four portages according to the height of the water.

Q. What is the distance over the four ?—About twelve miles. You then reach Island Portage which is about one hundred yards long, and after that you traverse Lake Lacrosse to Nequaquon Portage which is four miles long ; thence across Nemeukan Lake to Kettle Falls Portage which is about 250 yards long, to Rainy Lake, and then down Rainy Lake 45 miles to Fort Frances which is two miles down Rainy River.

Q. Have you to unload and load freight at each of those portages ?—Freight had to be handled twice at each of those portages.

Q. Do you say has or had ?—" Had."

Q. Have you been beyond Fort Frances ?—Yes, I have been past Fort Francis with freight.

Q. When the Fort Frances Lock is complete the number of portages will only be reduced one ?—You will avoid one portage.

Q. How many portages are there between Lake des Mille Lacs and Rainy Lake ?—From nine to thirteen.

Q. Will the navigation be good from Rainy Lake to Lake of the Woods when Fort Frances Lock is completed ?—I do not think it will.

Q. What obstacles will remain?—There are two rapids. The Manitou, thirty-nine miles below Fort Frances, and the Long Sault seven miles below the Manitou.

Q. Is there not one at the head of the river?—Yes; there is one at the top of the river as well; there was in 1875.

Q. So that there are three obstacles between Rainy Lake and Lake of the Woods?—There are four, including Fort Frances.

Q. Do you know how much water there is at the foot of the lake?—I could not tell you how much water there is. The steamer on Rainy Lake drew, I think, three feet six inches, and in low water she was not able to come over the rapid at the head of the river.

Q. Had you to tranship the freight at this rapids?—Yes; and bring it down the river in small boats.

Q. So it is like a long portage?—Yes.

Q. The Manitou is the first rapid below Fort Frances, is it not?—Yes.

Q. What is the depth of water there?—I could not tell you what the depth is.

Q. What is about the depth?—I could not tell you what the depth of water was, but the tug was always able to get down, and she drew about three feet or a little over.

Q. Then in the rapid below—the Long Sault—what depth of water was there?—It depends upon the state of the river. I have seen the water so low that we did not consider it safe to load the boat more than two feet six inches.

Q. How far is the Long Sault below the Manitou?—About six or seven miles.

Q. Does the water continue at that low stage for a considerable part of the season?—A couple of months.

Q. Was the tug able to run up those rapids—the Long Sault?—I never knew the tug to run up the Long Sault. I have been told she has run up, but I never saw her do it.

Q. That was when the water was high?—Yes; when the water was high.

Q. Does she go up the Manitou?—She has to be warped up the Manitou.

Q. Did you ever see her go down the Sault?—I have never seen her go down, but there is another transhipment of freight there, and at the head of the Long Sault.

Q. There is a steamer on the Lake of the Woods, is there not?—Yes.

Q. Can you tell us approximately her size?—About 110 feet long, 20 feet beam, and she draws, I think, about four feet of water.

Q. How far up Rainy River can she run?—To the foot of the Long Sault Rapids.

Q. Has she ever been higher than that?—No; I think not. She never was when I was on the route.

Q. So that freight has to be transhipped from the boats to the steamer at the foot of the Long Sault?—Yes.

Q. What quantity of freight have you taken across in the season—the gross quantity?—We used to consider four tons a day a very fair estimate of what the line is capable of doing. The plant had run down considerably the two seasons I was on the route, but that was what we considered we were capable of taking over.

Q. Carpenter & Co. were the contractors for keeping the route open for the Government?—Yes.

Q. Do you know that it was part of their contract to keep the plant in good condition?—I do not know what their contract was.

Q. Do you know what amount of bonus they received from the Government for keeping the Dawson route open?—Seventy-five thousand dollars a season.

Q. How many days constitute a season on that route?—Sundays excepted, one hundred and twenty-five days would be a very long season for shipping.

Q. When does the navigation open?—I have seen Lake Shebandowan frozen the 24th of May so that boats could not navigate it. I think the next day it opened, and then we did not meet any ice going up the lake.

Q. When did it close again?—I have never seen it frozen. It is not the part of the route that closed first.

Q. How many tons of freight in a season of 125 days could you pass through?—  
At four tons a day, 500 tons.

Q. What freight did Carpenter & Co. charge?—Forty dollars per ton through to Red River from Lake Superior. I think they charged the same rate from Lake Superior to Fort Frances.

Q. What would be a proportionate rate for freight from Lac des Mille Lacs to Fort Frances?—Sixty to seventy per cent.

Q. How much would you add on freight from Fort Frances to Rat Portage?—  
I would not care about answering that question, as I have had no experience of that section of the route.

Q. Have you had any experience of the river below Fort Frances?—Yes.

Q. Have you ever been at Rat Portage?—I have never been in at Rat Portage.

Q. Was it part of Carpenter & Co's contract to transport freight to Rat Portage?  
—No.

Q. So that you have no knowledge of that end of the route?—No.

Q. Do you know where Port Savanne is?—I have never been in there. I have seen it marked on the plan.

Q. You know it to be on the river that flows into Lac des Mille Lacs, I suppose?  
—Yes.

Q. Do you think the route can be used from Port Savanne to Rat Portage, in connection with the railway, for the purposes of commerce?—No; I do not think it could.

[HON. MR. SCOTT: We will admit that it was impossible in those days, and let it be entered on the notes.]

Q. You admit that in 1875 it was impossible?—It was not impossible.

Q. What quantity do you think could be taken through?—As I said before, the line is capable of carrying four tons a day during the two seasons; that I knew it.

Q. Do you think that railway supplies such as rails could be carried through there?—They could be carried through at an increased expense at the same rate that we carried in small quantities, to the extent of perhaps 500 tons per season.

Q. At what cost do you think it could be done?—It might possibly be done for seventy-five dollars per ton.

Q. Do you know much of the country on the shore of Rainy Lake?—No.

Q. You never camped much upon it?—I never camped on it at all.

Q. You do not know whether it is an agricultural country fit for cultivation?  
—I do not know.

Q. How many portages are saved by the completion of the railway from Fort William to the head of Lac des Mille Lacs?—It saves two portages and the forty-five miles road—three portages.

Q. Were you ever over the route when Mr. Dawson had it?—No.

Q. Have you been over it since 1875?—No; I have not.

Q. And two seasons have passed since?—Yes.

Q. You spoke of the rapids above Fort Frances Lock: you say it will involve a portage there?—I said it did in those days.

Q. You do not know how it is to day?—I have been informed that they have drowned out the rapids by a dam below it.

Q. Have you been informed that the steamer comes to the dock regularly?—I was informed that the steamer was not running last season.

Q. Did you ever take soundings of the river?—No; I have never taken soundings.

Q. Then, for all you know, the depth of water you spoke of may have been along shore and not in the channel?—The men I had should have understood the channel as they had been on for years, and had been accustomed to running boats for years.

Q. You have given an estimate of what it would cost to take freight from Port Savanne; have you ever been in Port Savanne?—I have not.

Q. Have you had any experience in taking freight from Port Savanne?—I known where Port Savanne is.

Q. Your estimate is based on the condition of things when you were on the route?—Yes.

Q. Have you no means of knowing what the depth of water was at either of the rapids below Fort Frances?—I know that the boat used to stick drawing more than two feet six inches when she was in the regular channel.

Q. Are you certain that there is no deeper channel inside?—I could not swear to that.

Q. Did you ever hear whether the river could be waded across there?—I cannot say that I ever waded across it. I have jumped from rock to rock and walked across part of it.

Q. Where was that?—In the Long Sault Rapids, 45 miles below the lock.

Q. Could you point out on the plan of the river, where you walked across?—Not on that plan.

Q. How often have you been up and down the river?—I have probably made five or six trips.

Q. Had you charge of the boat?—No.

Q. Had they regular pilots there?—Yes; they put on men who were supposed to understand the river.

Q. You say there could only be carried through five hundred tons a season when you were there?—That is what we considered the plant was capable of carrying.

Q. Do you mean to say that the steamers were too small to carry more than five hundred tons a season?—No; I do not. The steamers could have carried more—towed more—but we had not the plant to do it, we had not the boats to do it.

Q. But could not the boats have carried more?—Yes.

Q. And they could have been increased in capacity?—Yes.

Q. You say that those portages were difficult; but how much could be carried over them would depend upon the number of men you would put on there; and if the portages were improved would not that decrease the difficulty?—There were good country roads on the portages.

Q. In short, what you said was entirely with regard to the state of things when the road was first started, and you speak of nothing as it is now, with the improvements that have been made, and what can be made?—The road was started in 1870, and I was there in 1875.

Q. Would an increase of plant have enabled you to perform the business at lower rates, or would the transport be cheapened?—I suppose it would have been cheapened to a certain extent. We had sufficient men to carry more than four tons a day, but we had not sufficient plant to carry more than that quantity per day, but at the same time all the freight had to be handled very frequently.

Q. Supposing all the plant and all the boats you could get there were used, is the road susceptible of being utilized to a very large extent?—No; I do not consider it is. You have got to handle freight, from eighteen to twenty-six times, and you have to shoal rapids which can not be navigated by large boats.

Q. In the nature of things, with all the advantages you could have, although you took four tons a day, you could not increase the amount to a very considerable extent?—No.

Q. I think you said one of those portages was one mile, the first one you come to going west?—The first is the Kashabowie portage, three-quarters of a mile long.

Q. Then there are thirteen miles between it and the next, and that portage is one and a half miles long?—Yes.

Q. Then there are twenty-two miles between that and the next portage?—Yes.

Q. What was the average time that it occupied you to take freight through from Lac des Mille Lacs to Rainy River?—It used to remain one day on each portage.

Q. How many men had you?—We had two or three laborers on each portage.

Q. What kind of boats did you use to run those rapids with?—Flat boats.

Q. Drawing how much water?—Three or four inches, light.

Q. And laden?—Probably eight inches?

Q. Could you use safely, boats drawing more water than that?—No; we could not.

Q. How large were they?—Eighteen feet in length.

Q. Could you, from the nature of the rapids, and the difficulty of navigating them, use larger boats?—You cannot use large boats in the Maligne River.

Q. How many rapids are there on the Maligne River?—Four.

Q. How close are they together?—All within two miles.

Q. And could a road be constructed the whole length, and make but one portage of them?—I suppose they could.

Q. Therefore the possibility of transporting large quantities of freight is very much limited by the character of the rapids you have to descend?—Yes; by the character of the whole of the route.

Q. So that with all the plant and all the men you could possibly use, you could not make much of it?—It would always be an expensive route.

Q. You say you had two or three men on each portage?—We had from two to four men with the teamsters of the waggons.

Q. You might have had twice as many boats and men, but you could not work up to more than eight tons a day?—We could run more than eight tons a day if we had sufficient men and plant.

Q. How high do you think you could have gone?—I could not answer that.

Q. But it is very much limited by the character of the portages and the rapids you have to run?—Yes.

Q. What is the description of freight?—Principally provisions, pork and flour, put up in handy packages, in bags chiefly.

Q. Could boats of greater length than you used be navigated safely there?—Not on the Maligne River, but they could be used on the other lakes.

Q. And on the short stretches you could not use them much?—No.

Q. Would it be difficult to carry rails 24 feet to 30 feet long on boats only eighteen feet long?—It would be difficult to do so, but it could be done.

Q. Which particular branch of the staff did you belong to,—having charge of the goods?—I was traffic superintendent of the whole line in 1874, and I had a section of the line in 1875.

Q. Had you anything to do with the boats?—I had to report on everything connected with the line.

Q. How old are you?—Twenty-five in October.

Q. Had you ever any experience in such business before?—No.

Q. What were you before that?—I was clerk of a mine on Lake Superior. And further deponent saith not.

J. WALTER DICK.

OTTAWA, 10th April, 1878.

HUGH SUTHERLAND called and sworn, was examined as follows:—

Q. Have you been in charge of the Fort Francis Canal for sometime?—Yes.

Q. For how long?—Since June, 1875, when the work was first commenced.

Q. Was that the first you had to do with it?—Yes.

Q. The work had then been laid out?—Yes. I was furnished with the ground plan before I left here.

Q. By whom was it prepared?—Mr. Fleming furnished it to me, and it was prepared by Mr. Mortimer, I believe.

Q. When was his examination made, and the plan prepared?—The plan was dated the fall previous.

Q. What is the capacity of the lock?—I now produce the plan. The canal is about 800 feet long. It is a cutting through solid rock about 40 feet wide, and one lift or lock about 24 feet 8 inches. That is the difference between the two water

levels. The chamber is about 200 feet long and 38 feet wide in the clear. There will be  $5\frac{1}{2}$  feet of water on the mitre sills at lowest water. That is basing my calculations on the lowest water mark, and information obtained from the oldest settlers there, that is, before the work was commenced, although we have never reached as low a stretch of water as that since, I have been there. The difference between high and low water level is 8 or 10 feet. Some seasons it is only 5 or 6 feet. The highest would be 10 feet. The time the water is lowest is just about the closing of navigation in September or October.

Q. Is it not much lower some years than others, the whole year?—In the middle of summer there is not a great deal of difference, but in the spring of the year I have seen it very low before navigation opened; it is generally very low in the winter time, and before navigation opens, and it rises in the latter end of June or July.

Q. How long will it be before this lock can be finished?—It can be finished in four months.

Q. Have you carefully estimated the cost of completing it?—Yes.

Q. Do you mean that it will take four months from the present, or four months from the opening of navigation?—Four months from this time. I presume navigation is open there now; in fact, I am aware that it is open at present.

Q. Is that earlier than usual?—Yes; it is very early.

Q. Then, practically, the lock will be open for next spring's business?—Yes; it can be opened without any trouble at all for next year. The rock excavation was all completed some time ago; a great deal of the timber work is done and nearly all the timber is on the ground. In fact, nearly everything is there that is required to finish it.

Q. Can you give me a statement of the expenditures on the lock up to this time?—In 1875-6, it was \$83,940. In 1876-7, it was \$54,988.

Q. Have you calculated what it will require this year, up to the completion of the work?—We have expended up to now, \$81,361. That includes all our liabilities. There is not that much drawn yet. That will include all our liabilities. The whole work when completed, including gates, will be \$250,000, as near as I can estimate it at the present time.

Q. In that you took in some rebate did you not?—Yes; there is \$10,000 of a rebate for supplies that were loaned by us to the Canada Pacific Railway.

Q. When were they loaned?—In the winter of 1875-6. The survey was short of supplies and we transferred ours to them. They were short of supplies to finish their winter's work.

Q. That would be \$250,000 as the total cost of the lock, less \$10,000 of a rebate?—I calculated the actual cost; it will be \$250,000. But we have never had that \$10,000 refunded.

Q. What is the value of the plant at present?—I expect it will realize \$15,000. I have already made arrangements for the sale of it. The value of the plant and live stock is about \$20,000.

Q. By the live-stock, you mean the horses and oxen employed on the work?—Yes; the plant is about \$18,000, and the live-stock about \$2,000.

Q. What arrangement have you made to get rid of it?—I have had an offer from Mr. Whitehead for a great part of the plant, and the price is to be left to arbitration.

Q. Not for the whole of the plant?—No; not the whole of it. We have some plant there that does not belong to us, it belongs to the Dawson Route. What Mr. Whitehead wants is, the steam drill and steam hoist, and all the explosives that we have.

Q. You are calculating that there will be some explosives unused?—There will be some left, but I cannot say how much. I have not been able to form any estimate of what will be realized on this plant. Mr. Whitehead's son, who manages for him on the Railway, talked over the matter with me last winter to see if we could agree on a price, and he thought they would take about three-fourths of the plant we have there. Mr. Whitehead says, whatever his son decides on he will agree to. He was to go to Fort Frances, and I was to leave the valuation of the plant with the foreman, who knows as much about it as I do—and allow a fair reduction for wear and tear. In fact,

the plant is so close to Mr. Whitehead's work that it will be advantageous for him to get it, as he has not the same kind of machinery that we have.

Q. In making your estimate for the completion of the work, did you take into consideration what would be realized on the plant?—I think we will realize \$15,000 on the whole of the plant. I have taken that into consideration in making the estimate on the total cost of the works.

Q. But notwithstanding your plant, it will take \$250,000?—Yes. That will be the actual cost of the canal lock.

Q. Does that include the gates?—Yes.

Q. And it will then have a lift of 5 feet 6 inches?—Yes; a little over that.

Q. Can you now speak as to what would be accomplished by this lock: can you give us some idea of the obstructions that have been removed between the two objective points—Kettle Falls and Rat Portage?—A vessel will be enabled to go from Kettle Falls to Rat Portage.

Q. What was the first difficulty?—The first difficulty from Kettle Falls was Fort Frances Falls, of course.

Q. Is not the rapid at Peters' House the first?—No; not now. The rapids are not in existence. There is a small rapid a mile and a half above the locks at the head of the river. By blasting out rocks and stopping up the small channels, we have raised the water sufficient to drown out the rapids above.

Q. Is there not a very swift current just as the lake debouches in the river?—Not now. The steamer ran up and down it every trip last season with 105 pounds of steam on. We could steam up those rapids without any improvements; but we did not consider it safe. Now it goes up with only 65 pounds of steam on.

Q. What is her ordinary pressure in smooth water?—About 60 pounds.

Q. So that you do not put on any extra pressure to go up those rapids?—No; we do not make any difference at all now.

Q. And there is no difficulty in reaching the wharf?—No.

Q. Are the Narrows between that point and Kettle Falls?—Yes; but I never considered there was any obstruction to navigation there. I came through the Narrows last spring when the water was low, and the boat was drawing  $5\frac{1}{2}$  feet of water aft, without striking anything.

Q. What is the depth of the water in the channel?—It is nine feet in the channel.

Q. Can a vessel follow that channel?—Yes; I never knew her to go out of the channel except once or twice, when a new pilot was in charge of the boat.

Q. Is that the same channel that Mr. Mortimer speaks of in his evidence?—Yes; but he was not in the channel at all.

Q. What is the width of the channel?—200 feet at the narrowest point between the rocks, and it is about 500 feet long.

Q. Is the water low there in the fall?—Yes; we do not have a rise of water until July.

Q. Do you mean to say that through the entire length of that channel, there are no boulders in it that will make it less than 9 feet deep?—There are no boulders in the channel. My impression is which Mr. Mortimer must have got out of the channel, as I never heard of a boat sticking there, and never knew of it sticking there.

Q. Has the boat always passed through it?—Yes; always since she was built. Mr. Mortimer's case is the only exception I ever heard of.

Q. Describe to us the navigation coming down Rainy River?—The first obstruction is the Manitou and then the Long Sault Rapids.

Q. What is the ordinary depth outside of those two rapids?—The channel is from 10 to 20 feet in depth. These are the only two shallow places in the river that I know of. At the first rapids—the Manitou—there is 12 feet of water in the channel at the lowest time, but the river is narrow there, and in high water the water backs up, and there is an ascent which requires a steam boat to go up in high water; there is no rapid of any consequence in low water. This chute needs to be widened to let

the water off more rapidly. No person ever doubted that there is plenty of water in the Manitou.

Q. Are there any boulders in the channel?—No; none at all. The boulders are in the Long Sault.

Q. Is there anything to be done at the Manitou?—There would be no obstruction if the channel was widened, but with a powerful boat there would not be any obstruction at present.

Q. What is the power of the boat that is there now?—Ten horse power. I see from a copy of the "Alberton Star," a paper published at Fort Frances, the following announcement:

"The Government tug here having been thoroughly overhauled, was launched last Tuesday (26th February) and proceeded down Rainy River to the Sault, 40 miles distant. She brought back a large lot of flour and other freight; in returning she ascended the Manitou Rapids unassisted. There is no doubt that, with a small expenditure, in widening the river at this place, any vessel of ordinary power might ascend the rapids at any time."

Q. What is the date of that paper?—The date of the paper is the 5th March. And this means that navigation opened on the 26th February. I left Fort Frances myself on the 12th February, and came down in a boat 30 miles, and then took to the ice with my dog train. The boat is a small tug about ten horse power, and has never been in good running order. The water is low there now, as I explained before, and there is not much of a rapid.

Q. Could the large boat on the Lake of the Woods go up the Manitou at all from the Long Sault?—Yes; she can go up from the Long Sault well enough, but she cannot get down, that is the trouble; although she has gone down. She was built at Fort Frances, and was run down through the Sault; but in consequence of the boulders in the channel it is dangerous, and it is difficult to get steerage way on, in order to keep the channel going down. The principal difficulty in the boat coming down is at the boulders in the Long Sault, where there are two points jutting out into the channel. The soundings there are  $9\frac{1}{2}$ , 11, 12,  $11\frac{1}{2}$ ,  $12\frac{1}{2}$ , 11, 13, 9 feet is the lowest.

Q. Is there any shallower point than 9 feet in the channel?—No.

Q. Where is the first obstruction that ought to be removed in order to make the channel safer?—It would require about 50 feet to be taken off each point that juts out into the channel at the Narrows. The distance between the points is 125 feet, and the depth of water there is 15 feet.

Q. Can you give us an estimate of the cost of removing the obstructions in Rainy River?—I have asked the Department of Public Works for \$5,000 to remove the whole of the obstructions on Rainy River, and I believe it can be done for that.

Q. Do engineers agree with you as to the cost of doing it?—I do not know that it has been estimated by engineers, but I have examined the channels myself very often.

Q. Has not the channel been examined by engineers? Did not Mr. Baillairge examine it?—He could not have examined it, as he was only there a few hours. He states that in his report, and he gives his opinion only from hearsay.

Q. Have you had a practical experience in removing obstructions in water?—Yes.

Q. Are you a practical engineer?—No; I do not intend to use any drills to take out these boulders at all. By putting nitro-glycerine in a gas pipe, and having two other pipes through which I could run the electric exploders, I could back the stern of the boat up to the rock, put the charge under it, remove to a distance of about 60 yards and connect the wires with a battery, and the boulders could be levelled without any difficulty; that is the latest system for removing boulders from a channel. I have used nitro-glycerine at Fort Frances this season altogether, and I find where there is plenty of water there is no necessity for drilling or machinery.

Q. Do you know what Mr. Baillairge's plan was for overcoming the difficulties there?—Yes. But I do not agree with him at all. The fact is, if Mr. Baillairge had examined this channel as much as I have, he would be inclined to change his opinion.

Q. Have you ever discussed it with him?—I have not.

Q. What is the difference in the river level from above the Manitou, to below the Long Sault?—I understand there is about one foot to the mile for six miles, that is what I was told by the engineer, who said he had taken the levels; but I should say myself it would not be more than ten feet in six miles. Mr. Baillairge is not aware that the bottom of the Manitou is level. He could not be aware of it unless he was there in low water, and took soundings.

Q. Had soundings ever been taken before you made them?—I do not think so. Mr. Baillairge did not have them taken. I got one of the oldest captains on the river to pole a boat through with me, and show me the deep water channel. I went through it subsequently, and took the wheel and ran the boat up and down it myself.

Q. You are satisfied that your estimate of \$5,000 is sufficient to clear away these obstructions?—I should be satisfied to take the contract for that, with the explosives on the ground as we have them now.

Q. If that improvement were made, what would be the length of navigation open for boats?—Between 180 and 200 miles from Kettle Falls to Rat Portage. Mr. Dawson says it is about that distance, I footed it across there this winter, from thirty miles below Fort Frances to Rat Portage, and then down the railway to Section 14. When I came down this trip, I took a straight course, and I should judge the distance mentioned is about correct.

Q. What is the nature of the country?—Along the Rainy River from Fort Frances there is very fine land and good timber on it.

Q. Have you been back from the river?—Yes; I have been through there. I have sent men exploring for timber. I have seen surveyors' notes of it also, and my impression is that all the land along Rainy River is good; in fact, a number of settlers have gone in, and it has been considered necessary to establish a Dominion Lands Office at Fort Francis.

Q. Have there been any crops raised there?—We have raised crops of oats and potatoes there ourselves, in connection with work on the lock. There are no grist mills there yet, and wheat growing has not been commenced.

Q. Has wheat been tried?—Yes; the Hudson Bay Company people have tried it.

Q. What breadth of land of good quality is there along the river?—I could not say, as I have never gone back all the way to the lake.

Q. When you walked across to Rat Portage, did you go straight across the country, or along Lake of the Woods?—I went on the Lake of the Woods.

Q. Have timber licenses been issued there?—Yes.

Q. Both on the river and the lake?—On the lake only. There is no license issued along the river, because that is surveyed, and licenses have only been issued for unsurveyed territory.

Q. Did you know who issued the licenses?—They were issued by the late Government. One of them to Mr. Macaulay, of Winnipeg, for one hundred square miles; one to Mr. Fowler for one hundred square miles, and one to Mr. Fuller for sixty square miles, I think.

Q. Do you know where those limits are?—They are on Rainy Lake and Lake of the Woods.

Q. Is there good timber there?—They consider them very valuable limits.

Q. Can you give us an idea of the number of settlers that went in there last season and took up land?—I could not. I can tell you what the population is from reports I have seen. When I went in there, there were no settlers at all. There are about four hundred people there now. That is a report I have seen in the *Alberton Star*, a paper published at Fort Frances.

Q. Is that confined to the river, or does it extend to Rainy Lake?—It is confined to the river. There are no settlers on the shores of Rainy Lake.

Q. Can you speak of the country lying between Sturgeon Falls and Rat Portage?—Only from what I have seen of it from the water. I have never been over the railway line at all. I have been over the railway line from Rat Portage to Winnipeg.

Q. You said that the depth of the lock would be five feet and a half on the mitre sills, at the lowest water?—Yes.

Q. Was it not laid out for a greater depth than that?—Yes; seven feet

Q. When was the change made?—Last spring or the beginning of the summer.

Q. Why was the change made?—I do not know exactly why. Of course it would cheapen the expense of the lock, and at all times there would be sufficient water for the boats that would be used on the lake. Five feet and a half is the lowest depth of water we would have, but I do not apprehend that we will ever have less than seven and a half feet or eight feet on the mitre sills, except in exceptionally low water in September or October.

Q. The depth, however, was reduced one and a half feet?—It was a little more than that, but I was down too deep at one end when I got the instructions, and I finished it a foot deeper than I was instructed to do. My instructions were to make it four and a half feet, but it is now actually five and a half feet.

Q. That was in consequence of the work having been done previous to your getting the order?—No; I instructed the men, to be on the sure side, to go six inches lower than I was told; but when we came to level up, we found that we were one foot lower.

Q. How much more would it have cost to carry out the original plan?—We saved a few thousand dollars by it.

Q. A good many thousand, I suppose?—I did not make the calculation.

Q. Did we understand you to say that there was plenty of water in the lake and in the river above the lock for vessels drawing nine feet of water?—I do not anticipate requiring that draught of water. There are nine feet of water in the channel; but the present boat on Rainy Lake draws only five feet of water when she is loaded down to the guard. We cannot go any deeper than that, but I think at all seasons of the year there is sufficient depth of water for that boat.

Q. You said that a good many settlers had gone into the country at Rainy River, but not at Rainy Lake?—I am not aware of any settlers at Rainy Lake.

Q. When the lock is finished what will be the course of trade from the shores of Rainy River towards Rat Portage, or up Rainy Lake?—The lumber business will of course all go to Manitoba by way of Rat Portage.

Q. But the other products of the country—farm products for instance?—I am not sure about them. I presume, as they will be exported from Manitoba, their natural course will be the other way.

Q. Do you think the natural course of the products from Rainy River will be towards Thunder Bay?—Yes.

Q. By what route?—This is the only route at the present time, except by the American route.

Q. I mean when the railway is finished?—Then the products will go east.

Q. What course will it take from Rainy River?—It will go to that portage. Should there be any settlements east of Fort Frances, the produce will go east.

Q. You say that all the timber for the lock is on the ground?—Nearly all.

Q. Where did this timber come from?—Some from Rainy Lake, and some from Rainy River.

Q. Did all the large pine timber come from Rainy Lake?—Yes.

Q. Where did the oak timber come from?—We got a few sticks of large oak from Minnesota.

Q. What does the pine timber square?—It squares twelve inches by twelve inches, forty-five feet in length. We got seventy pieces in one place below the Manitou and Long Sault.

Q. What sizes of timber did you get on Rainy Lake?—It squared twelve by twelve inches.

Q. Where did you get that?—About twenty-five miles from the lock.

Q. On which side?—On the Canadian side.

Q. Much of it?—About a quarter of a million feet board measure.

Q. Is there much timber on the Canadian side?—Yes.

Q. Much good timber?—Yes.

Q. Is twelve by twelve the largest timber there?—That is the largest we required.

Q. Could you have got it much larger?—Yes; but not so long.

Q. Can you get a good deal of timber on Rainy Lake that will square twelve by twelve inches?—Yes; but I found it more convenient to get it down the Rainy River. I did not get a stick of pine in Minnesota, but I could get larger oak there than I could have got anywhere in Ontario.

Q. Where did you get the oak?—Near the head of the Mississippi. There is no large oak in Ontario now; I know it as I have been in the lumber business all my life. Some oak for the Welland Canal is being brought from Georgia. The mitre sills for the Culbute Canal on the Ottawa, came from Michigan.

Q. How many men have you employed at the lock just now?—Expect some have been discharged lately, but there are between fifty or seventy men there. When I left we had about eighty, but as the different portions of the work were finished we discharged them.

Q. By what route did you get the timber from Minnesota?—By one of the American rivers. We can ascend those rivers about two hundred and fifty miles.

Q. Where do they fall in?—Into Rainy River and into Rainy Lake.

Q. All the timber as far back as the water shed in Minnesota, will of course, have to come into Rainy River and Rainy Lake?—Unless they build a railway to take the timber out another way. I see the American lumbermen are exploring that country now with a view to manufacturing that timber and taking it down to Manitoba. At the present time Manitoba gets nearly all the lumber used there from Minneapolis.

Q. Did you say there is valuable timber on the north shore of Rainy Lake?—Yes.

Q. The engineers do not appear to have met with any good timber. They say so in their reports?—The railway line is nearly 100 miles north of that. I am speaking of the limits that I have mentioned along the lake, which are 100 square miles.

Q. But the gentlemen who have gone up by the Manitou Lake say they met with no timber there?—The same thing has been said of various parts of Ontario where good timber was subsequently found.

Q. How far have you been back from the shore of Rainy Lake?—I have been with a canoe as far as the water would allow me to go into the arms and inlets of the lake.

Q. You have never been back to the railway line?—No.

Q. What opportunity have you had of forming an opinion of the quantity of timber around Rainy Lake?—From the information I have gained from parties I have sent out to explore for timber, and from what I explored of the shore myself.

Q. Only as far as you could see from the canoe?—I explored the Islands and a great many of the arms of the lake.

Q. Did you go back from the water when you were paddling around the shores of Rainy Lake; and, if so, how far?—The country is nearly all islands and arms of the lake there—a succession of lakes and islands.

Q. How far did you go back into the country from the shores of Rainy Lake, or did you go back at all?—I went by water wherever I explored.

Q. How far did you go back by water?—I suppose I was gone a week on the expedition.

Q. Up what streams did you go, or did you go up any?—I went up the Manitou.

Q. How far did you go up the Manitou?—I went up until I came to the rapid.

Q. How many miles?—I was gone a day.

Q. Did you go ashore there?—I went ashore to look at the timber.

Q. How far did you go back?—I did not go farther than three or four miles till I struck another lake.

Q. Then your knowledge of the timber country is very much confined?—I have sent out explorers there in addition to what I explored myself.

Q. What other streams did you go up, besides the Manitou?—I could not give you the names, because they were not named. I went from lake to lake and from point to point.

Q. Did you go up any other streams besides the Manitou?—Yes; but I could not give their names.

Q. How far up those streams did you go?—I suppose altogether I went a hundred miles from Fort Frances.

Q. Did you go to the head of any stream, or the head of any lake?—No; I never went to the head of any one stream, because it is all streams and lakes there. I had to avoid taking timber off Mr. Fowler's limits, and wherever I found that he had taken 5 or 10 or 20 square miles, we avoided those places and went to others to look for timber. He has timber on the Manitou, and that is the reason why I did not ascend that river any farther than the rapids.

Q. Did you go a day's journey up each stream?—The country is a continuation of lakes as far back, I understand, as the railway line, so that there is as much water as land. There are a great many of the lakes and rivers not laid down in the map.

Q. But did you leave your canoe to go back into the country any distance?—Not very much.

Q. Did you go any distance?—Only to make a portage. I was not exploring for that timber any farther than to get what I wanted in the most convenient places.

Q. From what point did you make an exploration back into the country?—I did not go back, but I saw a large quantity of timber along the shore of Rainy Lake and Rainy River.

Q. You did not search into the interior?—No; I did not lead you to believe that I was back into the interior. I said, from the fact of several hundred miles being taken up by lumbermen for timber limits, I assumed that there was timber in there.

Q. Did you see enough timber to convince you that it was a timber country?—Certainly.

Q. Where did you see it?—In going through the chain of lakes, the Lake of the Woods and Rainy Lake, and seeing the timber on the islands.

Q. Is there timber on the Islands of Rainy Lake?—Yes.

Q. On what Island?—An island called Sandy Point, for instance.

Q. Where is it?—About twenty-five miles from Fort Frances. Mr. Fowler has taken that Island in his limit for the timber. When I commenced cutting pine on it, he stopped me.

Q. Was much of the timber you saw from Rainy Lake burnt?—I think not. There are not many settlers in there, and, of course, it could not have been burnt much.

Q. How far could you venture by water through that country?—I think I could travel through that country from one end to the other with a canoe. All the timber explorers in there take their canoes with them.

Q. Is there any parallel between that country and the timber country on the Ottawa?—There is no parallel at all, because that is a country cut up by water without any large body of land to explore. I think my knowledge of it would be very full, without going ashore, and I have explored a great deal for timber. If I were going to take a timber limit in there, I should be perfectly satisfied to explore it in my canoe.

Q. Did you see much land fit for settlement on Rainy Lake?—Not in the part of the country I am speaking of now.

Q. Have you been in charge of the works at Fort Frances since their commencement?—Yes.

Q. Can you give us a copy of the letter you addressed to the Commissioner of Public Works, on the first of May, 1875, which, although referred to by Mr. Braun, is not in the printed return?—I think so, but I have not got it here with me.

Q. Did you receive a telegram from the Department of Public Works, November,

1875, telling you to close the work on the canal?—I did. That was the time to which I referred in my evidence when the Canada Pacific Railway Survey required our supplies in order to finish that winter's work, and the work on the lock was stopped in consequence. The ten thousand dollars I have referred to covers the amount of supplies handed over to Mr. Rowan at that time.

Q. Was it the intention of the Department that the suspension should be temporary or permanent?—Temporary; because, on the opening of navigation, I was instructed to go on with the works again.

Q. What was the actual expenditure at that time?—About eighty thousand dollars. It was Mr. Rowan who gave me instructions from Mr. Fleming to hand over the supplies.

Q. Who told you that the suspension was temporary?—I think Mr. Rowan told me that it was merely to borrow the supplies and men for the survey, as there was no hurry for the lock, but there was for the location of the line.

Q. That was about the time the location was changed from Shebandowan?—I do not know.

Q. Was the question of the discontinuance of the works at Fort Frances ever discussed with you before that?—No.

Q. Not at the time the location of the railway was changed?—Not at any time.

Q. And there never was any hesitation with respect to the finishing of the work, that you know of?—No; except at the time I have told you of that we were ordered to stop work, and to give over our supplies and men for the survey; but in the spring I commenced work again.

Q. When did you absolutely begin the work again?—The following July—

Q. I see several misprints with regard to dates and names in the printed Report of the correspondence brought down—You resumed work, and I see by a letter of Mr. Braun, dated April 13th, he instructs you as follows:—"I am to authorize you to resume work on the said lock by day labor, and to request that you will submit to the Department an estimate of the probable monthly expenditure for the next twelve months." Did you do so?—I did so.

Q. And the men were actually at work again in July?—We went up in June over the Dawson Route, and we were at work in July.

Q. Did you see the Minister of Public Works when you were here that winter?—It is altogether likely I did.

Q. Do you recollect whether you did or did not?—In reference to that matter I think I had an interview with Mr. Fleming and the Minister, as well as with Mr. Trudeau, about the estimated amount required. I received my instructions principally from Mr. Trudeau or Mr. Fleming.

Q. Was the advisability of proceeding with the work discussed at all?—Not in my presence.

Q. Did no official discuss that with you?—No.

Q. With Mr. Fleming or any other engineer?—No; and I never had any idea that the work was stopped altogether.

Q. And you had no reason to believe that it was in contemplation at the time to stop it altogether?—No. The whole of my instructions are there, except the verbal instructions I received from Mr. Fleming, through Mr. Rowan, which was to the effect that I should hand over the supplies and men to him.

Q. And you did not consider that a final suspension of the work?—No.

Q. Had you the superintendence of the works at Fort Pelly as well as at Fort Frances?—I commenced Fort Pelly before I commenced the Fort Frances Lock.

Q. Had you the superintendence of the buildings at Fort Pelly?—Yes.

Q. And they were commenced and carried out under your superintendence?—Yes. I worked there until they were nearly completed, and then I commenced at Fort Frances.

Q. Then, after Fort Pelley was abandoned, you were sent to Battleford?—Yes; but Fort Pelly is not abandoned.

Q. How long did it take you to travel from the one to the other—that is, Fort Francis Canal to Fort Pelly?—Eight or nine days.

Q. And from Fort Frances to Battleford?—Fifteen days and a half.

Q. Did you ever do it in twelve days from Winnipeg?—I have done it in twelve days and a half. The longest time I ever occupied was fifteen days.

Q. Did you travel night and day?—I generally travelled fifteen or sixteen hours a day, as I travelled light, in a waggon or on horseback.

Q. Did you transfer any of the materials from Fort Frances to the Saskatchewan.

Did you transfer a steam tug to the Saskatchewan?—Yes; from Lake of the Woods.

Q. How did you take it across from Lake of the Woods?—It was taken on trucks to Red River over the North-West Angle road; it was a small boat.

Q. What was the power of it?—About ten horse power.

Q. Where is that boat now?—At Battleford, or a short distance above it.

Q. Has she been running there?—Yes; she was used for towing lumber down to the works.

Q. What distance does she run above Battleford?—About four hundred miles. She has gone up two hundred miles further than any other boat ever went before.

Q. How many trips has she made?—I do not know.

Q. Has she made more than one?—Yes; I think she has made two or three round trips four hundred miles above Battleford; that is the distance by water, not by land. By land it is between three and four hundred miles; the difference is in consequence of the winding nature of the river.

Q. Did she tow your lumber down?—Yes, and took our provisions up.

Q. To what place does she go?—To about 50 miles above Edmonton.

Q. Is there continuous navigation there during the summer season?—Yes. The best part of the river is from Battleford up.

Q. Did you bring the lumber down in cribs or in boats?—In flat boats.

Q. Did you lose any of it?—Yes.

Q. How much?—We lost about 60 or 70 thousand feet by a rise of water of 20 feet in one night, caused by the melting of the snow in the Rocky Mountains. We had the cribs tied up one night to the wharf and the river rose and swept away our wharf, cribs and everything; and nearly took our mill away also.

Q. What is the width of the river there?—Some places half a mile and some places more.

Q. What was the cost of lumber at Battleford?—We manufactured it.

Q. What did it cost, board measure, to manufacture it?—I could not say that, without looking at the accounts. It was the first lumber operations in that part of the country, and of course it was necessarily expensive; I should require some little time to make a calculation. I knew we had to get the lumber and it was impossible for any man to calculate its cost beforehand.

Q. What was your idea that it would cost?—Fifty dollars a thousand was my idea beforehand.

Q. But it cost you nearly twice that?—I would not say that it did.

Q. Were you not offered a supply of lumber for your requirements at Battleford?—No; it could not be offered, because it is not in that part of the country.

Q. Did not a Captain Moore offer to supply you with lumber?—He did not, and he could not if he tried. He could not bring it up the river without very great expense.

Q. And you say he never offered to supply you?—He did not.

Q. He told me himself that he offered it to you at \$60 a thousand?—My impression is, that I never saw Captain Moore before I got out the lumber.

Q. What did it cost you to take the steamer over from the Lake of the Woods to Red River?—Between \$300 and \$400.

Q. Did you not pay more than that for it?—No.

Q. Did you not make a contract for it?—I made a contract at first for \$300. In fact, I first gave a man a contract for it, and then I hired him to work on the canal.

Subsequently, he transferred the contract to another man for \$300, and he was not getting on as fast I thought necessary, and I put on men to assist him.

Q. Who did you give the contract to first?—A man named Thompson, of the firm of Carpenter & Co. He got nothing out of it at all, as he transferred it to another man named Anderson.

Q. Have you got Anderson's receipts for the money?—Yes.

Q. To what account did you charge the transportation of this steamer?—I charged it to Battloford account.

Q. Did you credit Fort Frances Lock account with the steamer?—No; it did not belong to Fort Frances. I borrowed it from the Dawson route. It was of no use there. The tug was laid up, and I asked the Minister to be allowed to use it on the Saskatchewan.

Q. Were Government horses employed to take it across to Red River?—No. I had not a horse on the North-West Angle route at all. I never had any there, except the team I drove myself.

Q. Was it \$300 or \$600 that was paid?—Three hundred dollars.

Q. And that was paid to Mr. Anderson?—Yes, that was paid to Mr. Anderson. The accounts are in the Department and will show for themselves.

Q. And you think the receipt was signed by Mr. Anderson?—Yes; and the cheque was payable to Mr. Anderson.

Q. But you will not swear positively that the money was paid to him?—Yes, I think I can. Mr. Anderson was there when the settlement took place. He had to divide the money up with half a dozen other people who had assisted him, and from whom he had hired teams to take the tug over. He might have given me orders to pay some of his men, which I would deduct from the total amount.

Q. Did the money really go to him or to Mr. Thompson?—It went to the men who did the work—Mr. Anderson and his teamsters.

Q. Did the money go to Mr. Anderson or to Mr. Thompson?—I am not aware that it went to Mr. Thompson. I presume it went to Mr. Anderson. I do not know what Mr. Thompson had to do with it.

Q. But you are not positive who the money went to?—I am positive I settled with Mr. Anderson, and I have his receipt.

Q. Do you know, as a fact, that the money went to Mr. Anderson?—Yes. I believe that the money went to Mr. Anderson. I might have paid orders of his previously, but the accounts will show for themselves. My impression is that I gave Mr. Anderson a cheque for the balance after deducting the orders, and he signed the receipt for \$300.

Q. Can you say, from your own knowledge, that the money went to Mr. Anderson?—That is a hard question to answer, because I do not know how much came to Mr. Anderson, as he had to hire other men to help him.

Q. Did you give him the money?—I gave him a cheque. I never paid out any money there, except in small quantities. I did not expect to be examined on this point, and in so many transactions one cannot remember all the details.

Q. Were there Government stores at Fort Frances for supplying the workmen?—Yes.

Q. Were the stores kept by the Government?—At the first start they were, because there were no other traders there at the time.

Q. How long did that arrangement continue?—Until about a year ago last spring, when the traders who came in there complained of the Government keeping a store; so I ordered no more stock, and I transferred all the goods kept for sale to the men, to another man in exchange for provisions.

Q. To whom did you transfer the stock?—To a man named Wilson. And since that time we have not kept anything for sale for the men at all. I had a good deal of bother with the accounts, and was anxious to get out of it. I made an offer of the business to one or two parties there, and Mr. Wilson was the only one who seemed desirous to go into it. I left the transaction to the paymaster and my assistant to settle, and I believe the arrangement was carried out all right.

Q. How do the men get their supplies now?—They get orders on the traders that are there now, just as they require them. The Hudson Bay Company have a store there, and there are other traders there; so that if a man wants to get a pair of boots, or any other article, he asks for an order on a trader. On pay-day the paymaster gives the trader a cheque for the amount of the orders, and they are deducted from the men's accounts at the same time.

Q. How often do you make a settlement?—The men get money as they require it, also to send to their families, and we endeavor to settle up once in every three months.

Q. So that there is, sometimes, a considerable amount outstanding?—Yes; sometimes there is a considerable amount outstanding in advances on account.

Q. What amount is there outstanding at the quarterly settlement?—It would be considerable, sometimes.

Q. You have no bank there, of course?—No; we pay by cheques on the Ontario Bank at Winnipeg.

Q. What amount do you think there would be outstanding quarterly, or say at the 30th June last, that would not appear in the Public Accounts?—Sometimes it would amount altogether to ten thousand dollars, perhaps. I cannot speak exactly on that point.

Q. Do you mean in these store orders?—I mean wages and orders altogether. The paymaster becomes responsible for the store accounts.

Q. How often do you settle your wages?—Once in three months.

Q. So that the whole of the three months' accounts would be outstanding at the end of that time?—Sometimes. Sometimes single men did not care to take their money at all until settling day. Being so far away from the bank it is difficult to manage those things. We cannot take the money in there, and if the men do not get cheques or store orders they would grumble. Sometimes the single men do not draw their wages quarterly, but let them run on.

Q. So that it is more likely there would be more than a quarter's wages due than that there would be less than that amount?—No; it would not. I think I could give the balance due on the 31st December.

Q. Did the same system prevail at Battleford?—Yes. In all interior works of that kind we have adopted the same principle. When we take men back four or five hundred miles into the interior we have to satisfy their wants by giving them either orders or cheques. If we did not do that sort of thing they would be dissatisfied.

And the further examination of this witness is postponed until to-morrow.

OTTAWA, 15th April.

HUGH SUTHERLAND reappeared and continued his examination as follows:—

Q. Have you given any consideration to the mode of improving the portages on what is called the Dawson Route with a view of utilizing the Fort Frances Lock?—I have.

Q. Have you prepared any proposition or scheme to submit to the Minister?—I have.

Q. Explain to the Committee the improvements you have recommended, and their cost; in the first place do you estimate in your proposition to utilize the two lines of railway, one from Fort William to Port Savanne, and the other from Rat Portage to Red River?—That is part of the plan I propose.

Q. Explain how you arranged in reference to the portages?—I propose to put tramways on the portages between Port Savanne and Kettle Falls.

Q. What is the length of those tramways; what is the first point from Port Savanne going west?—From Port Savanne to the foot of Lac des Mille Lacs and Baril Portage.

Q. What sort of navigation is there there?—Navigation is good;  $4\frac{1}{2}$  feet at all seasons.

Q. Are boats on that now?—Yes.

Q. Steamboats?—Yes; tug and barges.

Q. When you came to the foot of Lac des Mille Lacs what obstruction do you reach first?—A small portage called Baril Portage.

Q. What is its length?—About  $\frac{1}{4}$  mile. Then there is a lake called Baril Lake.

Q. Give us a general view of your proposition?—I proposed to put tramways on all these portages, and use narrow gauge horse-cars of five tons, and run those cars across the portages on the barges, and not tranship until we reach the head of Rainy Lake. By putting barges on Rainy Lake and Lake of the Woods there is no necessity for transhipment there, even. But as there are two large steamers on those lakes that would form a daily line for traffic, I do not believe it is necessary to put barges on there at present. So that between Port Savanne and Rat Portage there would be one transhipment after the completion of Fort Francois Lock.

Q. How far would these steamers run?—From the head of Rainy Lake through Rainy River, through Lake of the Woods to Rat Portage, a distance of two hundred miles.

Q. When the contemplated improvements that you spoke of the other day in your evidence are completed, that is, the removal of the obstruction, and the completion of the lock, is there no other obstruction between Kettle Falls and Rat Portage?—Save what I have mentioned in my evidence, no other.

Q. You have estimated that the obstructions other than what this lock overcomes will cost about \$5,000?—Yes.

Q. Will the present barges be equal to the carriage of the freight over that route?—I propose to utilize the present barges as far as French Portage, about half way between Kettle Falls and Port Savanne, and use the three large tugs that are on the route at present.

Q. Give us the details, commencing at the foot of Lac des Mille Lacs and reaching the first portage. What are the difficulties that will affect the construction of the narrow gauge horse car route, such as you speak of?—There is nothing very difficult. There will be very little grading done. I have an estimate of the quantities for a tramway. There is very little fall between the two lakes, only about 2 feet 9 inches.

Q. What is the next stretch of navigation?—Baril Lake.

Q. What is the length of navigation there?—About eight miles. Then there is Brulé Portage.

Q. Are boats on this lake?—Yes; there are boats on all those lakes.

Q. What is the length of Brulé Portage?—About the same length as the other,  $\frac{1}{4}$  mile.

Q. Is there any obstruction there to your proposed scheme?—There is no obstruction. Where the difference of a level is too great to use the present road, we propose putting in trestle work, for which I have calculated.

Q. What is the fall there?—There is a fall of 17 feet 2 inches. That is going west.

Q. What is the lake you come to then?—Windegoostagoon Lake. About twelve miles.

Q. What is the depth of water on that lake?—I assume that we can get  $4\frac{1}{2}$  feet navigation everywhere. In low water there is a great deal more in some lakes than in others. I do not think there is any difficulty in getting that throughout. I judge so from the boats that are being used there now.

Q. Do the boats that navigate there now have any difficulty?—There is no difficulty with a proper pilot. French Portage is the next difficulty.

Q. What is its length?—It is  $1\frac{1}{2}$  mile by the present route. I may state, in order to get easy grades, we will have to lengthen this portage to  $2\frac{1}{2}$  miles. Then we come to a lake called Koogassikok, about 15 miles, after which Pine Portage is reached.

Q. What is the fall at French Portage?—About 110 feet. The length of tramway there would be  $2\frac{1}{2}$  miles, or perhaps a little over that.

Q. What is the length of Pine Portage?—There are two portages these—the Pine Portage [and the Deux Rivière Portage we propose to put into one, so as to save one portage. It will make the portage  $3\frac{1}{2}$  miles long. At present it consists of portages, each half a mile long. We propose to lengthen it to  $3\frac{1}{2}$  miles long, by which we get an easier grade, and avoid Dux Rivière Portage altogether.

Q. What is the fall?—The fall will be 115 feet, between those two.

Q. Is it not more than that?—That is what is given in Mr. Fleming's report. I have taken the measurements from Mr. Fleming's surveys. Then we come to Maligne River; this portage is called Island Portage, one mile and fifty-six yards in length. Instead of running the rapids as we have done heretofore, we propose to build a portage along the river and avoid the rapids, which will make the portage a mile and fifty-six yards, and save one transshipment.

Q. What is the next difficulty?—The next lake is about seventeen miles from Island Portage to Nemenquan Portage, and the next portage would be Portage Kettle Falls. The Nemenquan Lake would be about fifteen miles long, but we go around by Kettle Falls in order to get better navigation. The total length of the portages as used at present by waggon road is  $6\frac{1}{2}$  miles, but in order to get easier and better grades these portages will be equal to twelve miles of tramways altogether, from Port Savanne to Rainy Lake. It is on that I have estimated.

Q. Do you propose to utilize boats at present on the lakes?—Yes, to utilize the best of them. The largest vessels, and the largest tugs.

Q. Give us the estimated cost of this scheme?—We put the tramways down at \$5,500 per mile, twelve miles, \$66,000. In that I have estimated one mile of trestle-work.

Q. Then what is the next cost?—We do not propose to use railway iron for the tramways, but we will use flat iron on wooden stringers.

Q. What is the estimate?—\$66,000 includes cost of tramways complete.

Q. What is your estimate for cars?—We have estimated for eighteen cars at \$300 each, which will make about \$5,400.

Q. What is the capacity of the proposed cars?—Five tons each.

Q. You are speaking of a narrow gauge track—of what width do you propose?—Three feet six inches.

Q. What is the next item in your estimate?—Four new barges.

Q. Have you estimated for the passenger cars?—I have not estimated for passenger cars at all.

Q. What would they cost?—The cost would be very slight, as the freight cars could be converted into passenger cars by putting on a temporary roof. I propose to make it a freight route rather than a passenger route, but if it works well for freight it will work equally well for passengers. It will require four new steam barges, with machinery, \$4,000 each; four more barges, the same as those at present on the route, without machinery, at \$1,000. We propose to utilize the three large tugs that are on the line. The repairs on each will \$500, making \$1,500. They can be very easily fitted up for passengers if required. Repairs on the Rainy Lake steamer, \$1,000; repairs on the Lake of the Woods steamer, \$2,000; repairing dams at various places, \$3,000; repairs to the buildings on the line, \$2,000. Those buildings are for the hands employed on the route, and a new storehouse will be required at Kettle Falls at a cost of \$3,000; removing obstructions in the Meline River, and boulders in one or two other places, the exact location of which I do not know at present, between Meline River and Rainy Lake, \$2,000; removing obstructions in Rainy River, \$5,000; repairing the present barges, \$800; allowance for making connection with the railway at Rat Portage, \$1,000.

Q. Has the steamer been up to Rat Portage?—Yes; she has wintered there. Twenty-four horses and harness, \$110 each, \$2,640; transportation for men, materials and supplies, \$5,000. That foots up a total of about \$120,000. Of course there are a good many unforeseen difficulties that we might meet with, and I have estimated the whole cost at \$150,000.

Q. What is your estimate of the time it will take for freight from Part Savanne

to Rat Portage?—It will take three days from Port Savanne to Rat Portage. I have estimated from Thunder Bay to Red River; the time will be about four days. The time occupied by the present American route is between six and seven days, including the delays at the Custom House in cording and sealing goods.

Q. Where are those delays?—At Duluth, going west. It is very seldom we can get goods through to Duluth and Fort Garry in less than a week, that is, goods bonded at Duluth. The delay arises in this way: Every package or box has to be taken into the bonded warehouse and corded and sealed before being placed in their cars, and when there is a large consignment, this takes a considerable time. The fees charged for this operation are in addition to the regular freight rates, and if there are many packages, the fee amounts to a considerable sum.

Q. Have they a fee on each package?—Yes; but the fees are put in the invoices in a lump sum, and it is very hard to tell how they make up their charges. I judge it is from the number of packages. Besides there is so much for brokerage, in addition to the freight rates.

Q. What is the present tariff per ton from Duluth?—It varies.

Q. Is the freight on merchandize less than on rails?—It is more. The freight charged on goods that I have taken through there has been from \$1.50 to \$2.00 per hundred pounds. I believe freight is divided into three classes, and I think the lowest class is \$1.25 per hundred pounds.

Q. What is it for ordinary merchandize?—Ordinary merchandize is higher than that, I think, and, of course, their advertised rates are the rates to be guided by, as the rates are special when they are tendered for.

Q. Supposing the railway communication from Duluth to Winnipeg was completed, what difference would there be in time by the American route, as compared with our route, after being improved as you have mentioned?—The running time from Duluth would be about three days by rail. But at the present time, two days to go to Fisher's Landing, and I presume it will take the best part of a day to go from Fisher's Landing to Fort Garry, at the same rate.

Q. So that, when that railway communication is completed, there will be very little difference in the time between the two routes?—Very little so far as the running time is concerned, but the delay at the Custom House in examining and sealing the goods at the first American port will be the same.

Q. Is that done with all goods passing through the United States in bond?—I understand that is the rule.

Q. Are not sealed cars sent through?—They seal cars at the present time, when they seal the packages; they send through to Fisher's Landing, but sealing cars does not make any difference in the delay, so far as I can learn, as they seal the packages as well as the cars.

Q. Have you made any estimate of how much freight can be carried for, and pay expenses under your proposition?—It is very hard to make a close estimate of that kind, but I believe freight could be carried over our route for about the same cost as by the present American route. Of course if we had return freight it could be done cheaper.

Q. Do you include the railway freight at each end, from Thunder Bay to Port Savanne, and from Rat Portage to Winnipeg?—I do not know exactly what that would be, but I merely have an idea that the freight could be carried through for about the same rates that are paid now.

Q. What are these rates?—About \$2.00 per one hundred pounds—from \$1.25 to \$2.00. It would depend upon the class of goods.

Q. About forty dollars per ton?—Yes.

Q. Could rails be taken through by that route?—Yes; rails could be taken over this route as well.

Q. You can speak pretty positively as to the time?—Yes, I can speak more particularly as to the time and manner of transportation; I do not speak as positively as to the cost per ton. We can have a tolerably quick route, and I think that if the route was run by the Government, even if it were not a paying affair, so far as the

Government are concerned, the country would be largely benefitted, as the merchants of Montreal and Toronto would be supplying Manitoba instead of the merchants of Chicago and St. Paul, as they are at the present time.

Q. How many portages would there be altogether?—There would be six portages, but the number of portages does not interfere with this plan.

Q. You propose to run the cars directly from the track on the barges?—Yes, there will be no transshipment of cargo until we reach the head of Rainy Lake, where it will be transhipped into the large steamers, and in this way they can carry freight at the rate of about fifty tons per day.

Q. So that it would entail only one transshipment between the two sections of railway?—Yes, or three transshipments altogether, from Thunder Bay to Winnipeg, and at the present time there are two transshipments by the American route.

Q. It will involve the running of the cars on and off the boats at the portages twelve times?—Only six times, as the horses will draw the car on the barge at one portage, and at the next portage will draw it off and across the portage, to the next boat.

Q. I suppose you will take only one car on the barge at a time?—The barges that are on the route at the present time will take two or three cars.

Q. Will you take the horses on the barge also?—No, the horses will remain on the several portages all the time, and as soon as the boat comes in they will be hitched to the cars, and run them across the portage to the next boat.

Q. What length do you propose to make the barges?—It is a question in my mind whether they had better be made long enough to take six cars at a time, or make one half of them to take only three cars, so that when freight is light it will not necessitate the towing of large barges down only half loaded.

Q. What length do you propose to make the cars?—Eighteen or twenty feet long.

Q. And the barges would be either three or six times that length—60 or 120 feet long?—Yes.

Q. Do the waters rise and fall much on that route?—They do in the spring.

Q. And they continue to fall a great part of the season?—Yes; they fall in the middle of the summer, but they can be kept up by keeping the dams in repair, except in one or two places. Some slight improvements would have to be made—some points of rock would have to be cut away, and some boulders would have to be removed from the channel.

Q. Would not this change of levels interfere very much in the loading and unloading of those cars?—No; we would arrange that by building trestle-work so as to make the grade easy.

Q. But the trestle-work is permanent, and when the water falls or rises how would you get the cars on or off the barges?—We can have a temporary piece of trestle-work to connect with the wharf, or for that matter we could do it by using floating scows and put our track on to them. That is the reason why I made the cars so light.

Q. As a matter of fact, would not that difficulty present itself daily by the change in the level of the water?—No. We would make allowance for that in the trestle-work. We would construct it more with a view to low water.

Q. Have you surveyed the route carefully with a view to this scheme?—I have taken Mr. Fleming's report, and based my calculation for quantities on the profile of a survey made by Mr. Mortimer under his orders. I have been over the route very often myself, and examined it carefully with a view to this plan.

Q. Is there plenty of water at all the portages for barges with the draft of water that you contemplate?—Where we propose to land there is.

Q. Is there rock at any of those landings?—Yes; there is a little. We do not propose to do much excavation.

Q. Could you load and unload at those portages without excavating the rock; for instance, when the water falls, would not the rock interfere with you?—Of

course we would build bridges or run out temporary wharves so as to accommodate the high and low water.

Q. Is that all included in your estimate for repairs?—Yes; I have calculated for running the trestle work out as far into the water as would be required. We have estimated \$17,000 for about 5,000 feet of trestle work. That amount of trestle work is not necessary if we make no change in the grade; we do this to make the grade easier for the horses to haul on.

Q. You do not contemplate the use of any locomotives or fixed machinery?—No; but there is one place we could utilize water power if we saw fit to haul the cars across the portage, but I hardly think it would be necessary to do even that.

Q. If this plan is carried out would it not have been a very great saving to have built the two sections from Lake Superior to Shebandowan and then across from Rat Portage to Red River on the same scale?—Without using the two pieces of railway already under construction, we could not make the trip in four days. I think there are other things to be taken into consideration as well. If this road is not built for a few years we will lose the Manitoba trade which at the present time is settling pretty fast into American channels, on account of having no Canadian route for a competing line.

Q. Where is it now settling?—Eighty-five per cent of the imports into Manitoba come from Minnesota. Last year their imports, I believe, amounted to eight hundred thousand dollars in round figures from the United States, and the exports from Manitoba to the United States amounted to five hundred thousand dollars, making a total trade of a million and a quarter of dollars, while the exports from Manitoba to Canada and England only amounted to one hundred and ninety-five thousand. The trade is likely to be doubled this year, and is increasing very fast.

Q. Do you think Manitoba merchants would send their goods by this route in preference to the United States route?—I think so, because they would get them quicker, and would have no difficulty with the Custom House.

Q. How long would it take to construct these improvements?—They could be completed this year and made ready for use next year; that is, if they were commenced at once.

Q. What would be the whole cost of the improvements—lock and all?—I think I can fairly put these improvements at one hundred and fifty thousand dollars, and the lock at two hundred and fifty thousand dollars—it may be five thousand dollars more or five thousand dollars less—in all four hundred thousand dollars. I am certain the Fort Frances Lock improvements will be under three hundred thousand dollars, unless there is some accident from high water sweeping away our coffer-dam—which would be a matter of twenty thousand dollars perhaps—but I do not anticipate any such trouble.

Q. How many tons a day would the equipment which you propose be equal to the transport of?—Six cars of five tons each would take over forty tons a day, as they would make two round trips per day each way. I may say that the total freight both ways of the Red River Transportation Company last year, was thirteen thousand seven hundred and fifty tons for the season, or a little over fifty tons a day. We do not expect to get all that trade, but if we got half of it we would be prepared to do it and more. The capacity of the line could be increased by getting a greater navigation on the small lakes by laying out more money in dams and clearing obstructions from the channel. I have no doubt but that six feet of navigation could be thus obtained, and then of course the facilities of the route could be increased. I am basing my calculations now on four and a half feet of navigation.

Q. Do you think passengers will take this route?—I think it could be made an easy route for immigrants going into Manitoba; but for first-class passengers I do not think it would be quite so popular a route, unless they go for pleasure, as you did, Mr. Chairman. There is no doubt we could send immigrants over that route and save the percentage that is lost every year by going over the American route. I see by the papers this morning that the immigrants who went up this spring had been

badgered at Grand Forks and other places to induce them to settle in the United States. The same thing occurs every year.

Q. Is there plenty of timber there?—Yes. We propose to manufacture all the timber required for the tramways on the portages. I can get plenty of lumber on one or two of the portages. There is steam power for a saw mill on the route now, (an engine and boiler) and by putting in a new saw frame at a cost of four hundred or five hundred dollars, I could manufacture all the lumber required for the tramway S and C, on the ground at a low cost.

Q. It was mentioned the other day that the Fort Frances Lock would not facilitate the transport of lumber; it was alleged that lumber could be got down over the Falls without the construction of a lock?—It would be a serious drawback to the mill-owners if there was no lock, because they would have to build two tugs instead of one; one to bring their logs down Rainy Lake and another below to take the lumber to Rat Portage. Mr. Fowler, who has a saw mill there now, says it has saved him ten thousand dollars. Slides could be put in, but the effect of running logs over the Falls, as they are at present, can be seen there now. Some of the logs are standing on their ends and broken. Mr. Fowler would have brought his logs in over the lower end of his mill if he could have run them over the Falls.

Q. Have not a good many logs been run over that Falls without injury?—No.

Q. As a matter of fact, are not logs taken out there at present?—There are none except Mr. Fowler's and they are boomed above the Falls.

Q. But as a matter of fact, are there any other mills below but Mr. Fowler's?—Not at the present time. Logs cannot be run over the Falls as they are now.

Q. Have you ever seen it done?—I have seen the logs there broken up, and I have been informed by Mr. Fowler that they could not run them over safely.

Q. Have no logs been taken down there as a matter of business?—There has been no necessity for it, because there are no mills below it yet.

Q. Would there be any difficulty in taking down logs by means of slides?—Slides could be built to take the logs down no doubt.

Q. Have you ever made an estimate of what a slide would cost there?—No.

Q. Have you no approximate estimate?—I have never built any slides, and I have no idea of the cost.

Q. Did you ever represent the feasibility of this plan, or recommend it to the Government?—Yes; I have recommended it.

Q. When?—Lately.

Q. Not before this year?—I concluded my calculations this last winter.

Q. Since this Committee was called?—No; it was before I came down here. My assistant at Fort Frances, Mr. Thompson, is very familiar with the route. We talked it over together last fall. I had his advice and co-operation in the matter, and when I came down here I came prepared to submit this plan.

Q. But you never recommended it until this winter?—No; never until this winter.

HUGH SUTHERLAND.

OTTAWA, 15th April, 1878.

William H. CARPENTER, called and sworn, was examined as follows:—

Q. Where do you reside?—Kincardine.

Q. Are you familiar with the route known as the Dawson Route?—Yes; I was senior partner in the contract for keeping open the Dawson Route.

Q. For what years?—1874 and 1875.

Q. Had you ever occasion, or did you ever make an estimate of the cost of the completion of tramways to the portages as you heard described by Mr. Sutherland?—Yes.

Q. Did you ever contemplate these improvements?—We did recommend them to the Department of Public Works, and on account of our recommendation Mr. Mortimer was sent to examine and report on the tramways.

Q. Did you see this report?—I have seen it in Mr. Fleming's report. But I consider it too elaborate, as it was calculated for locomotives, which are not necessary for the work.

Q. What was your estimate?—Our estimate is not quite as high as Mr. Sutherland for horse cars.

Q. What was yours?—We calculated the tramway would cost completed about \$500 less per mile than he has estimated it at.

Q. What year did you make that recommendation to the Government?—In 1874, I think it was.

Q. What was your estimate of the whole cost?—We suggested that the Government should construct the tramways, and we were prepared to put on the rest of it ourselves. In connection with our contract all we wanted was, that the Government should put on new barges, repair the boats on the line, and build tramways, and we were prepared to put on cars, and do the rest ourselves.

Q. Did you get any reply from the Government?—Yes. They wrote us to say that the matter would be taken into consideration, and they sent on Mr. Mortimer to make a report on the feasibility of building tramways, &c.

Q. His report contemplated locomotives?—Yes. But our estimate was intended for horses.

Q. What year had you the route?—Our contract was in 1874, 1875, and 1876, but the contract was cancelled in the spring of 1876; so we only ran it two years.

Q. Did the business diminish?—We had a larger amount of traffic the second year than we had the first.

Q. So it increased?—Not so far as through passengers are concerned, but the freight did.

Q. Can you tell the Committee the number of passengers you carried in 1874?—I have not got the number here, but it is in the Public Works Report of 1875. I think the number that went through in 1874 was 1,500 or 1,700.

Q. How many in 1875?—The total number that went over in 1875 was 1,877.

Q. According to that a greater number was carried through in 1875 than in 1874?

Not through passengers, these are passengers for all points. We had a very small number of through passengers in 1875, but we had a large number of local passengers.

Q. Where were the local passengers going to?—From Thunder Bay and Kaministiquia there were 248 passengers; to Shebandowan, 67; to Kashabowie, 8; to the Height of Land, 25; to Maligne River, 1; to Kettle Falls, 2; to Fort Frances, 427; North-West Angle, 11; Winnipeg, 293; Shebandowan to Kaministiquia, 100; from Shebandowan to other points, 174; and from various other stations to and from, making up the number before stated.

Q. The greater number of passengers were taken to Fort Frances?—Yes.

Q. Were they not connected with the public works there?—Some of them were, but a great many of the men connected with the public works went in their own canoes.

Q. Can you state the proportion of those who were public works employees?—I could not.

Q. In 1875 the number of through passengers was very small?—From Thunder Bay there were 293.

Q. And you have no idea of the number that went through in 1874?—It was from 1,500 to 1,700; I am not sure; but you will find it in the Public Works Report.

Q. Do you know what was the cause of the great falling off of through passengers?—Yes; the grasshoppers in Winnipeg stopped the emigration.

Q. Was the route less comfortable in 1875 than it was in 1874?—It was more comfortable in 1875 than it was in 1874.

Q. Your proposition was that the Government should construct tramways?—  
Yes; we considered about \$5,000 a mile would be quite sufficient to build that.

Q. What else were the Government to do?—To repair the steamers, boats and barges, and fix the dams.

Q. Did you propose that the Government should provide the cars?—No; we intended to do that ourselves.

Q. Did you calculate that you could have done a fair business there then?—Yes.

Q. A paying business?—Yes.

Q. What time would be required, in your judgment, between the two points, assuming you utilize the two ends of the railway?—Taking from Fort William to Winnipeg, five days would be the extreme limit. Perhaps it would be done in four days by utilizing the railway from Thunder Bay to Port Savanne, and from Rat Portage to Winnipeg.

Q. What is your idea as to the cost of freight over this route as compared with the American route?—I think it can be done cheaper on the Canadian route, as there are so many changes at Duluth that cause delays and annoyance. I think freight can be carried over our own line for from \$1.25 to \$1.50 per hundred pounds.

Q. And pay something on capital?—Yes.

Q. Do you mean on the capital expended on the work, or the running expenses only?—It would depend entirely on the amount of work done. If there was a return freight it would be something, and, of course, the business would be increasing every year.

Q. Would goods be carried through there in a satisfactory manner?—Yes; it was done in a satisfactory manner in 1875, when these improvements were not made, and I think it could be done with more satisfaction now.

Q. Do you think you would get much return freight?—I think there would be some; but there was nothing at that time.

Q. Could you carry grain?—Yes; in the same way as they do on the other side, in bags.

Q. Have you ever made an estimate of what it would cost per bushel to carry grain from Winnipeg to Thunder Bay?—No.

Q. You have heard Mr. Sutherland's estimate as to the details of these improvements—do you concur in the general view he expresses of the facilities there are for improving these portages?—Yes; with this difference: Mr. Sutherland spoke of trestle work going down to the lake—I would not suggest that. I would suggest that the trestle work be finished to the wharves, and not run it out into the water. In past years we have had to take our waggons from one barge to another, across the portages.

Q. Then you did not break bulk all the time?—No; sometimes we ran the wagon right on, and carried it through on the barges from portage to portage, and we know that plan to be feasible.

Q. What is the greatest difference of level in the water?—Except when the dams broke away, it did not amount to very much; perhaps about two feet, except from Deux Rivières Portage to Maligne, and from Maligne to Island Portage.

Q. What would be the change of level during the season?—I think about two feet.

Q. Not more than that?—I do not think so.

Q. And not more than that on any other of the waters?—No; unless there was an accident to the dams. The rainy season in that locality is June, which keeps the water up until late in the fall. Of course, in the latter part of August and in September, the water changes.

Q. When you suggested this scheme to the Government, did you urge that it should be applied to the long portage from Jake Superior to Shebandowan in connection with the railway?—No; we never suggested it only on the portages from Shebandowan, west. At the time we spoke of it we thought that the railway was going to Shebandowan.

Q. Supposing these improvements were made which are suggested by yourself

and Mr. Sutherland, and railway communication were complete between Duluth and Winnipeg, do you suppose that the route to and from Winnipeg, by Fort Frances, could compete with the American line?—I think so; and it would not be subject to the delays and expenses that all freight is put to at Duluth.

Q. Supposing an arrangement were made with the American Government to take sealed cars through, could the Canadian route compete with it then?—They have tried to arrange this matter for several years, but it has never been accomplished.

Q. But supposing there was unbroken railway communication from Duluth to Winnipeg, would it not be different?—I suppose it would.

Q. Do you know what are the charges per ton on freight by the American road?—I do not know exactly. I know the freight on bacon carried through last year was three hundred dollars per car.

Q. How many tons to the car?—Ten tons.

Q. How much do those bonding charges amount to per ton?—They vary, and the officer will not give you the same charges twice.

Q. What do they average per ton?—I cannot answer that question. I know one man who had to pay fifteen dollars charges on a pair of horses, and another man got off for one dollar and fifty cents with a span of horses about the same time. I cannot explain the difference, but I know that is what they had to pay, as I afterwards saw the receipt myself at Winnipeg. I may say with reference to the Fort Frances Canal that transportation by that route used to cost us fifty cents a ton to tranship at that portage, although it was only a very small lift.

Q. What did it cost you at French Portage?—It did not cost us as much, as we had to keep a pair of horses to do the same work at Fort Frances as at French Portage.

Q. What did it cost you at Brulé Portage?—I do not remember.

Q. Was there any reason why it should have cost more at Fort Frances than at any other portage?—Yes; we had to keep teams there all the time, and we had not sufficient work for them.

Q. Then there is nothing else at Fort Frances to make it more expensive than any other portage?—No; only no other portages had the same amount of water between them.

Q. And if the traffic increased it would not be any more expensive than any other portage?—No.

And further, deponent saith not.

W. H. CARPENTER.

OTTAWA, 18th April, 1878.

HENRY JVIE MORTIMER, Civil Engineer, re-called and sworn, was examined as follows:—

Q. I think you told us when you were under examination before, that you surveyed the portages from Rainy Lake to Shebandowan?—Yes.

Q. Did you do that under instructions from Mr. Fleming?—Yes.

Q. State to the Committee what your instructions were?—Previous to going out on the survey, Mr. Fleming informed me of what his wishes were with reference to the work I was to perform. He said the Government entertained an idea that the Portages could be improved to such an extent that freight could be carried there without breakage by being packed or placed in suitable framed cases, and when brought to the extremity of one portage hoisted on a truck and run by means of a tramway across it, and then by hoisting it on to a barge it could be carried through to the next portage, and so on in the same way. My instructions were to see what depth of water there was immediately around those portages, and what improvements would be necessary to carry in a certain draught of water to the wharves; what tramways could be practical across the portages, and to make a general survey such

as would give all the necessary information relative to the improvements contemplated.

Q. What was the nature of the tramways you recommended?—I recommended a light rail tramway considerably less than half the weight of the ordinary rail—thirty pounds to the yard. It is what is ordinarily termed a contractor's rail. And on three of the portages I recommended the use of light contractor's engines. My object in doing so was, the greater part of these tramways run through very deep swamps which it would be impossible, without entailing a great deal of expence, to put a road through that would support horses, in fact a regular corduroy road, for a horse tramway would be necessary to be put in, and heavily ballasted to keep it position, and give the horse sufficient footing.

Q. Was that the general character of the portages?—The short portages had, most of them, firm ground, but the long ones are about three-quarters of the entire distance through this swamp.

Q. What do you call long ones?—There is the Nequaquon Portage, which is a little under four miles; and the Deux Rivière Portage is about thirty yards under four miles; and the French Portage is about three miles long.

Q. What grade would you have had on this portage?—About 104 feet to the mile.

Q. Did you make an estimate of the cost?—Yes.

Q. What equipment did you provide for?—I provided from three to four trucks with each of the locomotives; and with those that were to be worked with horse-power from two to three trucks; and a small derrick at each end of the portage; and an extension of the wharves out to deep water, because the water rises and falls on an average of from eight to ten feet in a season. A wharf that is serviceable in high water is of no use at all in low water; consequently it has to be run cut far enough to suit the different stages of water. I also include a building for storage. There are none at present on the line to give any safety whatever for goods of a perishable nature; and there are no buildings for the use of immigrants.

Q. What equipment is necessary on the lakes?—It would necessitate five new tug boats; one of the old ones was burnt, and four of the old ones would have to be replaced—making five new boats in all. There would want to be four new barges—four of the lakes have no boats on whatever, except the wooden boats that were used the time Sir Garnet Wolsley's expedition; half of them are sunk and useless,—improving the wharves and building them out to deep water. And building new wharves, as several of them have been burnt; putting up houses and store buildings; expense of getting in engines, and putting the existing plant in workable order. I have the estimate here in detail, which is as follows:—

*North-West Angle Road.*

Repairing 60 miles of road and bridges, at \$100.....	\$6,000
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*Long Sault Rapids.*

Rock excavation, 1,760 cubic yards, at \$4 per yard.....	\$7,040
Cleaning out boulders.....	2,000
Dams .....	2,000
	<u>\$11,040</u>

*Manitou Rapids.*

Excavating rock at narrows to required width and depth.....	\$5,000
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*Kettle Falls Portage.*

Quarter mile of tramway laid with 30lb. rails.....	\$1,200
Two goods trucks.....	400
	<u>\$1,600</u>

*Nequaquon Portage.*

Three and a half miles of tramway, at \$4,500 per mile.....	\$15,750
One-third of a mile " " \$6,000 " .....	2,000
Small locomotive trucks and one passenger car.....	4,000
	<u>\$21,750</u>

*Maligne Portage.*

One mile tramway .....	\$4,500
Trucks and one passenger car.....	1,000
Improving navigation of Maligne River and Tanneries Lake....	3,000
Repairing dam at Maligne station.....	2,000
	<u>\$10,500</u>

*Island Portage.*

Repairing dams and putting part new.....	\$4,000
Tramway.....	500
	<u>\$4,500</u>

*Deux Rivière Portage.*

Three and three-fifths miles tramway at \$7,000 per mile.....	\$25,200
Six hundred lineal feet trestle work, at \$5 per running foot .....	3,000
Small locomotive trucks and passenger car.....	4,000
	<u>\$32,000</u>

*French Portage.*

Three miles of tramway, at \$12,500 per mile. . . . .	\$37,500
Locomotive trucks and passenger car.....	4,000
	<u>\$41,500</u>

*French River.*

Making two-thirds of a mile new river course.....	\$5,000
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*Brulé Portage.*

Excavation in canal, 28,100 cubic yards, at 30c. per yd.....	\$8,430
Puddle " 3,000 " 75c. " .....	2,250
520ft. of tramway.....	600
Water wheel and machinery to work tramway.....	800
Removing boulders and deepening channel in winding on river.	1,000
	<u>\$13,080</u>

It was contemplated to make a canal of part of Brulé Portage, which would reduce the tramway to 520 feet only, but of course if the tramway were used the whole way across it would be somewhat cheaper than this, because the canal would cost more; but the whole would amount to only \$13,080. If the tramway were used the whole way across it would be about \$5,000 less.

*Baril Portage.*

Excavation in canal, clay, 19,000 cubic yards, at 30c. per yd.....	\$5,700
“ “ rock, 14,300 “ “ “ “.....	\$3 “ “ “ “ 42,000
Puddle 2,500 cubic yards, at 75c. per yard.....	1,875
Piling outlets of canal.....	1,000
	<u>\$51,475</u>

Baril Portage is a short portage, and the difference in level between the two lakes is only 1ft. 9in.

Mr. Fleming contemplated cutting a canal through to make one navigation by assimilating the waters of the two lakes—Baril Lake and Lac des Mille Lacs.

EXTRA PLANT REQUIRED.

5 new tug boats (4 worn out and 1 burnt).....	\$12,500
4 new barges (to replace old, rotten rowboats) .....	6,000
16 small cranes for loading and unloading.....	2,400
Improving present wharves, and extending them to deep water, also building new ones.....	15,000
Putting up houses for passengers, and store buildings.....	50,000
Expense of getting in engines, rails, &c.....	5,000
Putting existing plant in workable order.....	5,000
Improving shoals in lakes, deepening portions of rivers, and generally improving navigation.....	10,000
	<u>\$324,985</u>
5 per cent. contingencies.....	16,250
	<u>\$341,235</u>

OTTAWA, 8th March, 1878.

Q. I did not observe that you made any provision for Fort Frances Portage?—No; this is exclusive of the lock altogether. I made this estimate only a short time ago, and the lock was far advanced then.

Q. If that plan had been carried out, it would have only required the other portage at Fort Frances to have got over that obstacle?—Fort Frances would have been treated on the same footing as any of the other portages.

Q. What would it have cost to have surmounted it on this plan?—It could have been done for about \$700 or \$800 on the same principle, as it is a very short portage. Certainly not more than \$1,000.

Q. What width of track did you contemplate for the tramway on the portages?—Four feet eight inches.

Q. Would not less than that have done for the horse portages?—I do not think it would be advisable, as I think it brings the track too much under the horses' feet. I think it is advisable that there should be room left for them to walk in.

Q. Had you any conversation with Mr. Fleming after you made your report?—Yes; Mr. Fleming spent several hours with me a great many times trying to work out a scheme for the bringing of the waters together, so as to secure as much con

tinuous navigation as was possible; but he seemed to come to the conclusion that the work would be too expensive—that the expense incurred would be greater than the benefits that would be derived from it; and that it would be a useless expenditure.

Q. At the time you made the survey, and at the time you had those conversations with Mr. Fleming, was it contemplated as a means of connecting the two ends of the railway now under course of construction?—I cannot say positively, but my impression was that the all-rail route was under consideration.

Q. When had you those conversations?—In the latter part of the year 1874, towards Christmas time.

Q. What was Mr. Fleming's idea at the time, and what did he wish to accomplish?—His idea was to raise Lake Shebandowan, I think, about 30 feet, and to throw the first four lakes into one continuous navigation, or else to have only one lock in the entire navigation between the first four lakes.

Q. At that time did he contemplate building a railway from Lake Superior to Shebandowan?—Of course that was in contemplation.

Q. But beyond that, the utilization of the water-stretches?—Yes, for the time being.

Q. Was the northern location of the line contemplated at the time?—Not the Northern one as it now exists, but the one to Sturgeon Falls, I imagine, was under contemplation, because immediately after this work, I was sent out on it, but the northern location, as now laid down, is north of the Sturgeon Falls route altogether.

Q. If the railway was built to Sturgeon Falls, all the water-stretches down to Rainy Lake would have been useless?—Yes. If the railway had been carried to Sturgeon Falls, or to Rainy Lake by Shebandowan they would have been useless.

Q. What I want to understand is: what was Mr. Fleming's object, and how he expected to use this scheme of yours?—As I understood it, it was to utilize these water-stretches as much as possible for some time previous to the building of the railway, and that they did not want to push on with too much of the road at a time; and it was to be built in stretches as circumstances would permit. In the meantime these water-stretches were to be used. That was what I understood, but, of course, I could not say positively.

Q. Are these your impressions or do you speak of facts?—These are merely the impressions I had.

Q. From your conversations with Mr. Fleming?—Yes.

Q. Did the Committee understand you to say that Mr. Fleming abandoned the water-stretches scheme as being improper and too costly for the service it would render to the country?—I know that Mr. Fleming seemed to think that there was a great deal more difficulty and expense attending it than he contemplated at the time he started out, and there was nothing more done about it afterwards; that it would not afford the service he anticipated.

Q. Have you got a copy of your instructions?—My instructions on that occasion were verbal.

Q. What were they in reference to the Dawson route?—I was to make a survey and exploration for the purpose of having tramways laid out on the portages.

Q. Did Mr. Fleming define what sort of a road was to be built?—Yes. But that was after I came in again.

Q. How long were you engaged in that work?—I went out during the fall of 1874, and I came home by the last boat.

Q. What time was it you were at the Long Sault Rapids?—I should say about the 12th or 13th of September, 1874.

Q. Did you take the soundings?—No; I did not.

Q. Are you aware since that time that boats have been navigating the Long Sault: were you here when Mr. Sutherland gave his evidence?—No; I did not hear Mr. Sutherland's evidence.

Q. Did you take the soundings in the Long Sault yourself?—No; I took observations and notes, and I may mention that I have been over there since then. I came over these rapids in the fall of 1876.

Q. At the Narrows, I see you have estimated an expenditure of \$5,000?—Yes.

Q. Are you aware that boats have gone through there without interruption this last summer?—I have been told so. When I was examined here before, but I stated then and I state now, that it is a matter that depends on the height of the water. It does not follow that because the boat went there one year that she would go every year, because there is a great difference in the water in some seasons.

Q. Did you take the soundings in the channel?—I took them with a pole.

Q. I see them marked on the plan of the Long Sault as giving 11, 9 and 11 feet in that channel at the Narrows?—There is no such channel in existence. I took the soundings across there myself in a boat with a pole, and there was no such depth of water as that.

Q. But you did not know that you were in the Channel?—We took the soundings the whole way across. We were lying aground in a boat and we wanted to get her off, and we tried the whole way across to see where we could float her. She was only drawing four feet of water, and we wanted to find more than four feet of water.

Q. But it has been stated on good sworn evidence here, that she went through there the whole of last season?—I do not dispute it at all; but it does not follow that she went through there the year before. I guarantee my professional reputation that no such navigation as nine feet of water can be obtained there at any time of the year. Mr. Sutherland has got three soundings marked on the plan at this place. I took over forty soundings. A man may find nine feet of water here, and 600 feet away from it, and may find twelve feet of water, but there is no guarantee there is a continuous navigation of nine or twelve feet of water between the two points; but there may be deep holes.

Q. Have you got a copy of the report you made in 1874?—It is in Mr. Fleming's report.

Q. You did not make up the estimate that you presented to-day in 1874?—No.

Q. Did you make it up for the purpose of this Committee—I see it is dated the eighth of March?—I made it to be used if necessary, as I knew the question would arise, and I expected to be asked about it. I was summoned here on the 13th March.

Q. But Mr. Fleming never adopted this report?—No.

“In order to enable the steamer to overcome these rapids, it will be necessary, in my opinion, to make an excavation of about 200 feet in length in the bed rock, and to clear the channel for about 400 feet from the large boulders. I think the greatest depth of rock to be excavated would not exceed four feet, and in removing the boulders no great expense would be incurred. For the excavation, it is probable some kind of a dam would be required. The Sault Rapids occur at intervals for a distance of about two miles; the total of all I have estimated at about six or seven feet. The Manitou Rapids are the next impediment; they are short, falling suddenly. Unfortunately, the better channel lies on the American side; but a good one may be had on the Canadian shore by excavating about 300 lineal feet of rock. This excavation in some parts may reach five feet. It is very desirable that these works should be thoroughly complete, as this is the keystone to the uninterrupted navigation from the North-West Angle to Fort Frances, a distance of 130 miles; it can be obtained, however, only by considerable expenditure. I estimate the fall of the Manitou Rapids at about six feet. The Rainy River from this to Fort Frances is wide, very direct in its course, and of good depth.”

Q. Did you give an estimate at that time of the improvements on the Long Sault and Manitou?—I was not asked for an estimate. I was sent out before the office work was thoroughly completed. In fact, the office work was never completed, because the scheme was given up.

Q. Can you give us an estimate of what it would cost?—It would require the excavation of 1,760 cubic yards of rock.

Q. Did you calculate any more than 1,760 cubic yards in the 400 feet?—No.

Q. What is the average depth that rock would require to be taken down?—I think four and a half feet.

Q. Are those quantities in your estimate worked out from those figures?—Yes; they are a little under them.

Q. However, this proposition you have here detailed was never submitted to Mr. Fleming?—No; it was not a proposition; it was simply an estimate of what that scheme is, if it were carried out. It was not a proposition on my part, as I would be very sorry to do it.

And further, deponent saith not.

H. J. MORTIMER.

OTTAWA, 17th April

EDWARD G. GARDEN, called and sworn, was examined as follows:

Q. Where do you reside?—At Toronto.

Q. What is your profession?—Civil Engineer.

Q. Were you at any time employed by the Government on the Canada Pacific survey?—I was in the employ of the Government from the fall of 1872 until May of last year, with the exception of about six months.

Q. Have you any familiarity with the country between Lake Superior and Lake of the Woods?—Yes; I have been over that country in several directions.

Q. What year were you there?—I may say the whole of my explorations for the Government were in the country between Black Sturgeon Lake, near Lake Nepigon, and Winnipeg River, the outlet of the Lake of the Woods.

Q. Are you aware of the proposition Mr. Sutherland made with respect to the tramways over those portages?—Yes; I heard his evidence.

Q. Have you made any estimate yourself as to the cost of a tramway?—I made a rough estimate with Mr. Sutherland, from Mr. Mortimer's profiles, of the cost of the tramway merely. Of course it is only an approximation, and I estimated that the twelve miles of tramway might be built for \$5,500 a mile. A temporary tramway with trestle-work and wooded stringers, with flat iron laid on them, and a plank roadway for horses.

Q. That includes material and labour?—Yes; I made no estimate whatever on the other improvements.

Q. Did you ever examine the portages yourself?—Not with a view of constructing a roadway over them.

Q. Do you know anything about the ground and the conveniences it affords for such an arrangement?—I merely passed over the present road.

Q. So you do not know anything about the character of the ground for the construction of such a tramway?—No.

Q. You spoke of having explored the country between Sturgeon Falls and Lake of the Woods?—Yes. I have a tracing here from the general plan in the office of the Canadian Pacific Railway, of the country which I have been over. I ran a line from French Portage to Sturgeon Falls from east to west. We found a practicable line as far as Sturgeon Falls and about 14 miles further west of it to the crossing of Little Turtle River.

Q. An instrumental survey?—Yes. There we met with a very rough country. It is a very rocky, barren tract; forty per cent. of the surface is water, and the rocks rise very high, from 50 to 200 feet above the surface of the water. The lakes are usually 40 or 50 feet deep. The crossing of the Manitou was a particularly heavy thing; it was the narrowest place we could find to cross the river. We found the water to be 130 feet deep, maximum depth. The water-way was 900 feet wide and the approaches were 90 feet above the surface of the water.

Q. That is the banks of the stream?—Yes. The general surface of the ground on either side. The main water channels in that section of the country are running south to Rainy Lake.

Q. So that in seeking the line through that country over to the Narrows of the Lake of the Woods or to Rat Portage you would have to cross all those gulches?—Yes. We found no valleys running in the direction of the line after the crossing of the Little Turtle River, 14 miles west of Sturgeon Falls.

Q. Have you got a profile of the line?—Yes. (Profile produced.)

Q. Did you explore the country widely?—I explored it as a general thing, five miles on either side of the line. I had canoes, and I was continually in the field exploring. The line I got was the best that I could find through the country in the direction I was ordered to go.

Q. Did you not explore further south than five miles?—No; my instructions were to follow along the explorations of Mr. Forest. Of course I was allowed to deviate to obtain a better line, but I was not able to find anything better than was shown by that exploration.

Q. Do you not think that if you had gone further south than five miles from the line you would have found a better country between there and Rainy Lake?—I have no reason to think so. There is no better crossing on the Manitou, going south. I have been north also and there is no place above that any better as a crossing.

Q. Why should there not be a better crossing at the narrow part of the Manitou River?—There might possibly be a better crossing there; but my observations go to show you could not get an easier country by going that far south.

Q. But you have only explored it five miles south of the line you have run?—I have explored it further south, of course.

Q. Was the country improving or getting worse?—This rocky belt extends, as far as my observation goes, from Rainy Lake north to the line marked on the plan, as the watershed between the Lake of the Woods and English River. If you go six or eight miles north of that line you get into a different country altogether, a sandy and clay country; you get out of the rocky belt.

Q. Do you not think there might be a line found south of the crossing on the Manitou—20 or 30 miles south of the line you ran?—I think not; the direct line from the Narrows of the Lake of the Woods to Sturgeon Falls would be only 10 or 15 miles south of my explorations.

Q. What is the distance from the line you ran south to Rainy Lake?—About 15 miles south from the crossing on the Manitou. I may say, when I got to the Manitou, I sent back to Mr. Hazlewood at Thunder Bay a tracing of my plan and profile to that point, and reported to him the nature of the country, after which I was recalled, as it was considered useless to spend more time there, and I was ordered to the north end of Manitou Lake.

Q. So that, as a matter of fact, the country between the line you ran and Rainy Lake was never explored to your knowledge?—There never was an instrumental survey made of it to my knowledge.

Q. Were you able to judge of the country south of your line; could you say whether the volume of water diminished or increased as you went south?—The general character of the country is the same as you go south. It is a network of lakes and rocky ridges. I have seen it from the shore of Rainy Lake, and the general character of the country back from the lake is the same barren rocky ridges. I have not been in the country half-way between the lake and the crossing of the Manitou.

Q. From your observations in exploring five miles on either side of your line, did the difficulties diminish on either side?—Where I ran the line was a better country than I could get either north or south of it. I explored south of Heron Lake, the whole length of the lake to get a crossing and could not obtain a feasible one. My opinion with regard to that country is, that the rough ridges extend down to Rainy Lake. My orders were to run the line in the direction of Rat Portage, which was the objective point.

Q. And not to the Narrows of the Lake of the Woods?—No.

Q. I suppose that your orders were to survey the line from Sturgeon Falls to the Lake of the Woods?—No.

Q. What is your opinion in reference to the Narrows?—I only know from what evidence I have seen taken before the Senate Committee, as given by Mr. Fleming, that they did not consider it practicable at all. I never examined the Narrows of the Lake of the Woods with reference to the crossing.

Q. Did you survey the country about Rat Portage, say seven miles east and west of that point?—I located thirty-five miles of the line east from Rat Portage in 1876.

Q. How did that country compare with the country you have reference to?—The nature of the country is very much the same, except that on the Northern line the valleys run from east to west, or in the direction of the railway; whereas on the Southern line they run to the south.

Q. On the whole, is this country very much more difficult than the country you located the line in near Rat Portage?—That very thing I spoke of made it more difficult, being obliged to cross the valleys at right angles, instead of being able to run the same course with them.

Q. Did you make any estimate of the cost of the two lines?—I have made no estimate of them; it is not usual to make estimates of exploratory surveys, especially when they turn out to be as unfavourable as that did. It would be very difficult to say what the comparative cost would be. The Rat Portage line amounts to 46,000 yards per mile.

Q. How much of that is rocky?—One third; perhaps more. You will find no ground on this profile as rough as the other.

Q. Is the located line much more favourable than the other?—It is. The great difficulty is in crossing this rocky belt by the Southern line. We have 120 miles of rough country to pass through between the crossing at Turtle River and Rat Portage. By adopting the Northern line we go through only 80 miles of rough country, making a difference of 40 miles in favour of the Northern line.

Q. Did I understand you to say in favour of the located line, as compared with the road from Sturgeon Falls to Rat Portage?—Yes; or in comparison with the line from Sturgeon Falls to the Narrows of the Lake of the Woods. Rat Portage is 297 miles from the town plot at Fort William by the located line. I estimate that the Northern and Southern lines are about the same length, only by the Southern line we would have 120 miles of rough country, and by the Northern line we have only 80 miles.

Q. But the country between Sturgeon Falls and the Lake of the Woods has not been surveyed?—My impression is, from what I have seen of the country, that the line from Turtle River to the crossing of the Lake of the Woods would be through a country of the same nature as the one I have explored.

Q. But you have not been over the country between Sturgeon Falls and the Lake of the Woods?—No, not in the direct line.

Q. So that you have no personal knowledge of it?—No.

Q. As you approach the discharge of the small streams do they not widen?—Yes.

Q. Have you no reason to doubt that these rocky ridges do not, extend down Rainy Lake from the Southern line?—I believe they do. I have seen the country on the north-east side of Rainy Lake, and I would be very much surprised if, between the lake and the Southern line there should be a country of a different character from what I have described.

Q. Have you been along the front where those ridges or streams strike the lake?—I have been on the Northern located line, and on the exploration line shown on the map.

Q. Have you ever been on the north-east side of Rainy Lake, and the north-east side of the Lake of the Woods?—Yes.

Q. Is the character of that country the same as it is on the line to the north-west, that which you have explored?—It is the same.

Q. How much of the north-east shore of the Lake of the Woods have you seen?  
—Only what is visible from passing along the lake in a boat.

Q. In a steamboat or in a canoe? —In a canoe.

Q. Did you coast along the shore? —Yes. On the Lake of the Woods we coasted along the shore for shelter.

Q. Have you got Mr. Dawson's plan of the crossing at the Narrows of the Lake of the Woods? —Yes. (Plan produced.)

Q. Do you know who prepared that plan for Mr. Dawson? —I do not.

Q. Have you made an estimate of the cost of building a bridge where Mr. Dawson says it is feasible? —I have made an estimate of the crossing of the No. 1 channel by the north-west angle, taking Mr. Dawson's widths and depths.

Q. That is the deepest channel? —It is the widest but not the deepest. I have made an estimate of this crossing, taking his figures. The width of waterway is 9,300 feet. I contracted that to 8,100 feet, and I find it would cost, in round numbers, \$1,300,000 to bridge that opening. No. 2 could be done for half the money.

Q. What is the breadth of No. 2? —Forty-five hundred feet.

Q. Have you got your estimate there? —Yes.

Q. What is the widest channel you cross? —No. 1, 1,457 feet wide, having a depth of 26, 36, 47 and 23 feet—that is the main channel.

Q. Does that cross on certain islands? —I suppose it does. I have never seen the place myself; my estimate was founded on Mr. Dawson's own figures.

Q. Did you make your calculations upon Mr. Dawson's specification? —No.

Q. Did he give a specification? —No.

Q. Was there any specification in any of his reports? —I have not seen Mr. Dawson's report; I have merely made my calculation from those widths and depths he has given, for masonry, piers and iron superstructure. It would not be advisable to erect anything but a permanent structure in a place of such importance.

Q. Why do you think that wood would not answer there? —Because I think wooden piers would have to be renewed in ten or twelve years.

Q. Would they have to be renewed under the water in ten or twelve years? —No; not under the water.

Q. What would be the height of the bridge? —I have taken it at 15 feet above the surface of the water.

Q. Are you aware that there is not a stone and iron structure on the Canadian Pacific Railway? —I believe there is not.

Q. Why would you make this structure of stone and iron, the most costly on the line? —A work of the magnitude and importance of that, it would be better to make it durable in the first instance.

Q. Is there any other crossing on the Pacific Railway that equals that? —I think not. The crossing on the Winnipeg River—which is the outlet to all those waters—is a 200 feet span at Rat Portage.

Q. How long would the piers last if made of wood—the portion under water? —They would last a very long time.

Q. Where do you anticipate they would first decay? —Just above the water line.

Q. When was it you left that country? —In the fall of 1876.

Q. What time did you abandon the possibility of getting a line through that lower country? —It was in August, 1875. I was ordered to the northern end of Manitou.

Q. And you located the line running east from Rat Portage? —Yes; in the summer of 1876.

Q. Did you locate the whole of the route from Rat Portage to Port Savanne? —No; only 35 miles.

Q. Have you been over the whole route? —Nearly the whole.

Q. When you encountered serious difficulties upon the survey west of Sturgeon Falls, you were transferred to the northern location? —No; the survey I was transferred to was still in connection with Sturgeon Falls. Another engineer, Mr. Kirk-

patrick, was to commence at my point of beginning, at Manitou Lake, and run to Sturgeon Falls. Sturgeon Falls was not abandoned until the winters of 1875-76, and in the summer of 1876 I was ordered to Rat Portage, and commenced work there in July.

Q. Can you tell us the estimated cost of the crossing at Rat Portage, and of the seven miles of road each way from that point?—I cannot.

Q. Have you the means of looking it up?—I presume it could be arrived at in the office.

Q. Did you ever hear of a survey of the peninsula lying between White Fish Bay and the Narrows of the Lake of the Woods?—I never did.

Q. Did you make an estimate for wooden piers for crossing out of the Lake of the Woods?—No; I did not.

Q. As a matter of fact, you have not surveyed the country west of little Turtle River (14 miles west of Sturgeon Falls) to the Lake of the Woods?—No.

Q. What time did you spend on any particular length of line, say from Sturgeon Falls to Turtle River?—From Sturgeon Falls to where I abandoned that line after crossing the Manitou, we commenced it early in June, and worked west from Sturgeon Falls until the latter part of August—something over 60 miles.

Q. What party had you with you?—I had 28 or 30 men.

Q. Was that an instrumental survey or simply an exploration?—It was an instrumental survey.

Q. Would that survey have enabled you to make the profiles you brought here?—Those profiles were made from it; but it was not a survey that a road would be built on. There are no curves put in; it simply gives the comparative heights and general character of the country.

Q. Did you make your profile from day to day?—We kept it up pretty well from day to day.

Q. What width did you cut your line?—As a general thing, about 8 feet in width; so that the chain men and levellers would have no difficulty in getting along, we cut out all timber and brush that would be in their way. A portion of the country is a barren country, in which there is very little timber, as it has all been burnt over.

And further deponent saith not.

E. G. GARDEN.

OTTAWA, 4th April, 1878.

SIMON J. DAWSON, C.E., called and sworn, was examined as follows:—

Q. Are you the Mr. Dawson who superintended the works on the Dawson route?—Yes.

Q. And you are the Mr. Dawson after whom it is called?—Yes.

Q. Would the construction of the Fort Frances Lock' open up the water route from Port Savanne to Rat Portage suitable for purposes of commerce in connection with the Canadian Pacific Railway?—Not as the railway is located now except to a very limited extent; but if the southern route had been followed it would have been essential to the railway as a connecting link in the navigation.

Q. What do you mean by the southern route?—The route by Sturgeon Falls.

Q. By the located route will it serve the purposes of commerce?—In connection with the railroad it will not, except in so far as that it overcomes the Portage at Fort Frances, and adds to the length of the navigable stretch in the interior of the country. But as a link in the route on the railway from Lake Superior through to Manitoba, it is out of the way altogether.

Q. That is by the present route of the railway?—Yes; by the present adopted route.

Q. What is the difference in level between Port Savanne and Rainy Lake?—As far as I remember it is about 400 feet. The levels were very carefully taken.

Q. Were they taken under your direction?—Yes.

Q. Does that include Fort Frances Fall?—I think from Lac des Mille Lacs, near the height of land down to the Lake of the Woods, it is probably 430 feet, including the Fort Frances Fall.

Q. In your opinion no considerable commerce could be carried on from Port Savanne to Rat Portage in connection with the railway; that is, such a trade as may be expected by the railway?—Not unless you are simply to use the part of the railway leading to Port Savanne on the one end and the part leading to Rat Portage, from Red River, on the other. You might then make a route by the water stretches by putting in tramways and improving the navigation, making a sort of preliminary road, but of course it would not do for a large traffic.

Q. Would it be costly on the same scale as the Fort Frances Lock?—On the same scale as the Fort Frances Lock. The improvement of the navigation would be attended with a great deal of cost. I at one time made an estimate of the probable cost of improving the water communication and providing railways at either end,—one railway was from Lake Superior to Shebandowan, and one from the Lake of the Woods to Fort Garry on the other end. It was a rough estimate of what it would cost to improve that route, but certainly not on the scale of the Fort Frances Lock. In speaking of the cost of the canal all the way through, I think it might be reckoned at what the cost per foot lift on canals usually is on that scale. There nothing in the circumstances to make it more costly. The locks on the Rideau here beside us, cost \$4,300 per footlift. These are more costly locks than, in my opinion, would be required.

Q. Is that on the basis of water communication?—On the basis of water communication.

Q. Had you the land surveyed for a railway to Sturgeon Falls from Shebandowan or from Lake Superior?—We had it explored, not regularly surveyed. It was surveyed afterwards by the engineers of the Pacific Railway, and, according to their published reports, found to be good.

Q. Had you explored it from Sturgeon Falls through to the Narrows of the Lake of the Woods?—Not entirely.

Q. What information have you with respect to that route?—From Sturgeon Falls to the crossing at the Narrows of Lake of the Woods, there is a portion of it a rough broken country, similar in character to that through which the railway passes, both east and west of Keewatin or Rat Portage, the name it is now more generally known by.

Q. Have you reason to believe that the country between Sturgeon Falls and the Narrows of Lake of the Woods is not any more difficult than the country on the located line?—From all the information I could get, it is very much of the same character; in my opinion not any more difficult.

Q. Had you the crossing of the Narrows surveyed?—Yes. I had measurements and soundings taken across the different channels, and at two different places, both of which afford practicable crossings. You see measurements and depths on this map which I now produce.

Q. What would be the length of the longest bridge?—The map will show the width of the different channels, and the depth.

Q. Would it not have been a very expensive bridge?—I think not. There is nothing in the circumstances to make it more expensive than bridges usually are. There is abundance of wood and stone. If you build bridges in the first instance, on crib work, I do not see that it would be expensive. The locality is completely sheltered from wind storms.

Q. You do not think that the country on that route would be any more difficult for railway construction than the route by the present located line?—I do not. From all I can learn much of it would be easier.

Q. Have you examined the country from the Sturgeon Falls to the present line of the railway?—I have been over a part of it myself, and I have had surveyors and explorers through a portion of it.

Q. What would be the length of the largest bridge at the crossing of Lake of the Woods?—There would be no difficulty whatever in bridging, provided that that point

can be reached from Sturgeon Falls. It is likely a series of narrow river channels only that there is but little current, and from the North-West Angle to Fort Garry there is no difficulty whatever in building a road. It is a good country for railways.

Q. Would bridges be so sheltered there as not to be liable to be affected by storms?—They would not be liable to any danger from storms; it is perfectly sheltered there.

Q. Is it like Rice Lake in any way, as referred to by Mr. Fleming?—Not in the least. I have observed the remarks made by Mr. Fleming last year, and I have obtained a plan of the bridge at Rice Lake, which I now produce, and which will show the difference between the two places.

Q. What is the length of the bridge at Rice Lake?—It is nearly three miles, and it is entirely open and exposed to the ice and waves. They intend to make an embankment and leave a water way in the middle of the lake. The one cannot be compared to the other in any respect.

Q. They differ very considerably, also, in the depth of water?—They resemble each other in the matter of depth. The average depth of the Narrows at the Lake of the Woods is about sixteen feet, and there is a channel of nearly fifty feet in the middle.

Q. Have you had any explorations made of the country between Sturgeon Falls and Rat Portage?—Not with a view of making any line for communication through it.

Q. From your knowledge of the country between Sturgeon Falls and the Narrows, do you think that that would be a more difficult location for the railway than the country east and west of Rat Portage on the located line of railway?—Engineers report that at some distance north-west of Sturgeon Falls they met a rough section which was very difficult to get through, but I have not understood that explorations were continued very much beyond that; and Rat Portage—not the Narrows—was the objective point.

Q. If the railway had been completed to Sturgeon Falls, and there built to Rat Portage, on the present located line, what extent of water communication would have been available, supposing Fort Frances Lock was completed?—There would have been an intermediate stretch of between 175 and 200 miles available.

Q. That is including Rainy River and Lake of the Woods?—Yes.

Q. If that line had been adopted then, the water stretch for nearly 200 miles would have been available as a connecting link between the two ends of the railway?—Yes; and the intermediate section of the railway could then have been built, as the country could afford it and the circumstances demanded.

Q. But with the railway located where it is, the water stretches cannot be availed of for purposes of commerce?—Only in a preliminary way, except by improving the portages. If that were done, it could be availed of to a limited extent.

Q. What do you mean by limited extent?—I mean that a certain amount of stores could be taken through over the water route from Port Savanne by putting sufficient plant on the water stretches and tramways at the portages. For purposes of real trade to Manitoba, in the face of the lines now being carried through Minnesota, I do not think it would be at all feasible, except with a view of supplying the country in the interior and the work on the railway, as it was going on.

Q. Would it do that to any extent on the located line?—The located line is rather far out of the way to derive much advantage from it. By going into Rainy Lake and ascending by the Manitou route, the located line could be reached in that way.

Q. Is that not a canoe route?—Entirely so, for boats or canoes.

Q. And is not the present route from Port Savanne quite as good as the route from Rainy Lake up to the located line by the Manitou?—It is better, because there is more improvement made upon it.

Q. So that really very little would be gained by further improving the present Dawson route for the purpose of constructing of the railway?—For the purpose of constructing the railway, it would be useful to some extent, although a great deal might not be gained as regards the railway.

Q. I understand you to say that it would not be useful for any other purpose?—I could hardly say that it would not be useful to some extent in opening up the country eventually. There is a very fine lumber country in there in different sections, and some good land here and there, which, of course, the opening up of the route on a limited scale might render available; but for through traffic I do not think it would be very much used.

Q. Would not the country be more likely to be opened up from the other end than from the Lake Superior end?—It might be as regards the lumber, but they might go in from both ends.

Q. Would Fort Frances Lock be of any use for local purposes?—I do not think it would be of a very great deal of use until the country becomes settled so as to render it an object to keep up navigation there, irrespective of through traffic.

Q. Is the country on our side of Rainy Lake desirable for a settlement?—There are certain portions of it fit for settlement. There is throughout that broken country a much larger area of land fit for settlement than is generally supposed.

Q. Is there any settlement of consequence in there now?—Except at Fort Frances there are no regular settlement.

Q. What do you think the chief trade would be between Rainy Lake and Lake of the Woods, would it be lumber or agriculture produce?—Lumber. There is a very fine country on Rainy River, which will eventually make a good settlement.

Q. What will eventually be the course of traffic there?—They will have only one course open to them, down through Lake of the Woods to Rat Portage.

Q. So that the lock at Fort Frances would not be of any use to settlers there?—Not much unless the route were improved to the east. If I might express an opinion in the matter, I would say that if the water route is to be improved, the best way to open it might be by means of locks of moderate dimensions at the different Falls, all the way through from Lac des Mille Lacs to the Lake of the Woods. I am not sure but that a water route of 350 miles, even with 400 feet of lockage, might not compete successfully with a railway in the transportation of heavy freight; but, of course, the railway now under construction must render this unnecessary at least for a very long time to come.

Q. Were all the matters on the Dawson route carried out under your direction and supervision?—Yes; except in the commencement at Fort Garry, when some work was done independently of me.

Q. We had a question here a few days ago as to the cost of the two large boats on Rainy River and Lake of the Woods. I think Mr. Scott said he thought they cost \$150,000, do you know what they cost?—Yes; we kept a very careful reckoning of what the steamers cost. The large boat on the Lake of the Woods cost \$40,000, and the Rainy Lake steamer cost \$30,000, including engines and everything connected with them.

Q. Does that include the freight account at \$140 a ton that Captain Dick spoke of?—Yes; it includes the entire cost of the boats. The freight did not cost so much. It was an experienced shipbuilder, a Mr. Brunel, of Quebec, who superintended the building of the boats. As well as I can remember, the cost was \$70,000, it may have been \$75,000; it is not larger than that sum, nor less than the other. I speak from memory.

Q. Does it include the cost of freight?—Yes; the whole cost connected with the steamers.

Q. Was that item of freight considered special in that account?—There was a freight account kept and charged. The building of the steamers was first let by contract; the contractors failed to carry out the work, and the boats were taken off their hands and completed by the Department of Public Works.

Q. Was the expenditure on the works on that route counted carefully and closely?—Yes; as carefully and closely as it could be.

Q. Was the business done in a systematic manner?—It was done in the old system of the Department of Public Works; that is, anything that was done under my direction.

Q. So that accounts were kept carefully and closely?—Yes; they were carefully and closely kept under the old system of the Department.

Q. Were not large accounts allowed to fall in arrears scattered all over the country?—No; the Accountants of the Department of Public Works went up every spring and came down every winter to the Department, where they made up the accounts, and nothing was allowed to stand over the financial year.

Q. I see it was stated by the Prime Minister in the House of Commons that after you had resigned, an Accountant of the Public Works Department found accounts to the amount of something like \$150,000 outstanding. I will quote his remarks:—“Last year Mr. Dawson resigned his position, and Mr. Grant, of this city, was appointed Superintendent. A great deal of his time was consumed in examining into and paying old accounts. They found \$150,000 of overdue accounts without any proper vouchers for them. A very large proportion of these it was utterly impossible to get at, except some statement from Mr. Dawson that such an amount was due. The inextricable confusion to which the affairs of the road were reduced could thus be imagined?”—That must be a mistake probably in the report. When I resigned in 1875 there was a Mr. Donald M. Grant sent up, and the total amount of accounts he had to arrange, apart from Carpenter's contract, was about \$15,000.

Q. The point at issue is this: Whether, at the time the Government came in, they did not find a large amount of unsettled accounts in 1873 unpaid that had to be paid in 1874?—There was just \$15,000, or thereabout, outstanding when Mr. Grant went up in 1875. He could have had no trouble with it, because an officer of the Department went up to assist him in arranging the accounts.

Q. But instead of \$150,000, there were then only \$15,000 outstanding?—Yes; not more.

Q. Why was there so much as \$15,000 outstanding?—It was in this way—the work was performed during the previous winter—repairs to the wharf, erection of station-houses, maintenance, and so forth—and that was the amount of the accounts that had to be dealt with after the opening of navigation that year.

Q. And there was nothing unusual or irregular in it?—There was nothing unusual in it; but the accounts may not have been so precisely kept as formerly, because the staff had been paid off the previous year, and the work was carried on by Mr. Walter Oliver, who had been newly engaged, and had not had much experience in book-keeping; but when the accounts were examined, they were found to be intrinsically correct, though not altogether in precise form.

Q. Who is Mr. Oliver?—He is a brother of Mr. Adam Oliver. He was a very good overseer, but had not had much experience in account keeping. His accounts were found to be intrinsically correct; there was very little trouble in arranging them.

Q. What was the total expenditure on the Dawson route?—The total expenditure on the Dawson route, as it is called from its first commencement, to the 30th June, 1874, apart from carpenters contract, was \$1,294,887.82; from that deduct working expenses, \$496,074.85. That is for keeping it open for the military and immigrants, and maintaining a force for transportation as well as for construction.

Q. How much does that leave for construction, plant, and the buildings?—It leaves \$798,812.95 as the total amount for construction and plant—equal to a cost of \$1,773 per mile from one end to the other.

Q. Does that include the locks?—Yes; it includes the locks, dams, portage roads, buildings and plant. The lakes had to be supplied with steamers. We had altogether fourteen steamers, large and small. The working expense amounted to \$496,074.85.

Q. Did you receive any revenue from the road?—Revenues paid and accounts accrued amounted to \$233,615.38.

Q. Did you charge the transport of troops in that account?—The military expedition was paid separately by the Militia Department, but there is a small portion of its cost included in that.

Q. Then there was a certain amount derived from taking through passengers,

and after that you had to take the militia through at so much. How much is charged for General Wolseley's expedition?—I think very close on \$60,000, charged for it out of the \$223,000.

Q. What was the actual cost of working expenses over the revenue?—The actual cost of working expense over returns, from the commencement in 1869, until the time it was let by contract, was \$262,459.47.

Q. Did you send many passengers through?—The route was not in a condition to send many through until the last year; when we got the large steamers in operation it then became very popular. I think there were 1,000 went through in a short time, in 1873.

Q. Were they all going west, or did some of them return?—Chiefly west, very few came east.

Q. What was your through cost per passenger?—The charge to passengers was about ten dollars per head; but, of course, it cost a good deal more.

Q. You say the route was becoming popular the last year?—It was becoming very popular by the time we got the large boats running. Passengers were subject to a great deal of inconvenience before that, when we were depending upon the row boats.

Q. Are you a civil engineer?—Yes.

Q. Have you practised your profession as a civil engineer?—Yes. I have been eighteen years in Government service, as civil engineer in different parts of the country.

Q. Is it not chiefly in designing work of this kind?—Yes; a good deal.

Q. Have you been employed as an engineer on any of the canals?—Not precisely in making canals. I have surveyed for canals long ago, and I was for a long time engaged in opening the St. Maurice, and in the construction of hydraulic works on that river.

Q. Have you had anything to do with the construction of railways?—I have projected railway lines.

Q. What railways have you located and brought to operation. Have you ever located a railway line and carried it through to completion?—I never actually made much of the mechanical work of a railway, although I have projected several lines.

Q. Were you an early advocate for the construction of this canal at Fort Frances?—Yes; in connection with the line to Sturgeon Falls and thence to the Narrows of the Lake of the Woods, and on to Fort Garry. I was strongly in favor of the canal.

Q. Did you report on it in 1872?—I reported on it at different times.

Q. When was the first report, before 1872?—I think as early as 1869-70.

Q. You urged upon the Government then, the construction of the lock at Fort Frances?—I thought it would be highly advisable, and in 1873 I sent in a report recommending the construction of the lock at Fort Frances in connection with the line to Fort Garry by way of Sturgeon Falls.

I will quote from your report in 1872:—"If the navigation could be rendered continuous between Shebandowan Lake, and the North-West Angle of the Lake of the Woods, with a railroad from Thunder Bay to the former place, and a like work extending from Fort Garry to the latter, the Red River route would be in a state to defy competition in the transportation of heavy articles, but this would involve lockage to the extent of 450 feet, and the building of 150 miles of railroad. Without dwelling for the present, therefore, on works of such magnitude as would be necessary to attain this end, I would, in the mean time, draw attention to the advantage that would be gained by building locks at Fort Frances and Kettle Falls, so as to admit of vessels passing from the North-West Angle to Nequaquon Portage, a distance of 180 miles. The difference of level at Fort Frances, between Rainy Lake and the pool below the Great Falls, is twenty-eight feet, and at Kettle Falls, between Namenkon and Rainy Lakes, nine feet, making in all thirty-seven feet of lockage required to render the navigation continuous as stated, for 180 miles. In view of the transportation of merchandize, which is even now being called

“ for by the importers of Manitoba, and the material required by the Pacific Railroad, “ this improvement to the navigation would be of great importance, and it could be effected at comparatively small outlay.” Was that your opinion in 1872?—Yes; but I modified that a good deal the following year.

Q. Had you any conversation with the Minister on the subject at the time it went into your report?—Not in 1872, that I remember.

Q. Are you aware whether it met with his approval or not?—I am not aware, but I urged the improvement of the navigation for a number of years.

Q. It was, however permitted to form part of the Minister's report?—It was in the supplement to the Minister's report. The Department does not always adopt the supplementary reports, but we are at liberty to recommend what we like in them.

Q. You say you modified that report?—Yes; observing the activity on the American lines running through Minnesota, I sent in a report suggesting the expediency of carrying a line of railway to Sturgeon Falls from Lake Superior, and a line from the Narrows of the Lake of the Woods, to Fort Garry, both of which sections would eventually have been included in the main line running from Lake Superior to Fort Garry.

Q. Where would you depart from the line at present located?—Some distance to the east of Shebandowan, going from thence by way of Shebandowan Lake, and the line which has proved so satisfactory on exploration, to Sturgeon Falls, thence by the water-stretches, soon to be rendered continuous by the lock at Fort Frances, to the narrows of the Lake of the Woods—running a line of railway from thence to Fort Garry.

Q. Then you suggested that the line should be surveyed?—I will quote from your report of 1873: “ I am now confident that a railway could be run from “ Thunder Bay to Fort Garry in a line nearly direct, and it would, in the first place, “ have the advantage of being the shortest which could be adopted between Lake “ Superior and Manitoba; in the next, it would be further south, on a lower level, and, “ consequently, in a better climate than the lines now being explored; above all, it “ would pass through a country rich in timber, and having in certain sections good “ agricultural land, which would eventually occasion a traffic too important to be left “ out of consideration in projecting a line of railway. Moreover, the present line of “ route, imperfect as it is, would afford the means of carrying in men, material and “ supplies to numerous points, so that the work of construction would be simple as “ compared to that of lines in a pathless wilderness. I shall, on reaching Ottawa, “ submit a sketch showing this route, and would, in the meantime, respectfully suggest “ the expediency of having it thoroughly explored before finally concluding as to the “ route to be adopted. In respect to soundings, channels have been marked, and “ buoyed where necessary, throughout the navigable sections of the route. The Lake “ of the Woods, south of the North-West Angle, is a very shallow sheet of water. “ Indeed the bottom might be appropriately described as an area of flat ground, with “ from fifteen to twenty feet of water over it, and numerous hummocks strewn with “ boulders rising here and there to the surface. In this shallow little sea, the wind “ when high, having an unbroken sweep of many miles, soon raises a dangerous surge, “ and a channel for the large steamers now about to run is being buoyed and marked “ out with care.” Is that your opinion still?—Yes; that is still my opinion.

Q. At that time you had not explored the country between Sturgeon Falls and the Narrows for a railway line. You stated in your report that you advised that the country should be thoroughly explored. Since that time have you yourself explored it?—I had it cursorily explored through from Sturgeon Falls to Lake Superior; it was subsequently surveyed by the engineers of the Pacific Railway.

Q. I am asking whether you yourself explored it, and placed yourself in a position to give us any information respecting the line from Sturgeon Falls to the Lake of the Woods. I ask you whether since that date you made an exploratory survey?—I made no exploratory survey since that date. I simply recommended that it should be made. I made some previous to that date.

Q. What portion of that part of the country from Sturgeon Falls to the Narrows

of the Lake of the Woods did you previously explore?—From the north-west area of Rainy Lake, in the direction of the Manitou. I sent a party through to the Lake of the Woods. I sent exploring parties through there years ago.

Q. But you never went through yourself?—No; I sent parties through.

Q. You never made an exploratory survey yourself of which you can speak personally, from Sturgeon Falls to the Narrows?—Not the entire way through; but I recommended it to be made. And I believe no thorough survey of that section has ever been made.

Q. Do you know why it was not made?—I cannot say why, I believe it was not made. I can only state my impression.

Q. Are you in a position to say it never was made?—My impression is, that no thorough survey was ever made of this line that is, from Sturgeon Falls with the Narrows, for the objective point.

Q. Mr. Fleming stated before this Committee that the survey was prosecuted to that point that made it apparent it was not practicable. I will quote from his evidence.

Q. "Had you the country between Sturgeon Falls and Lake of the Woods thoroughly surveyed and explored?—Yes; we went in from both ends, and had explorations made, but the reports were so extremely unsatisfactory that we did not deem it advisable to make further surveys. Instrumental surveys were continued, but we were driven off the direct line altogether.

Q. "Did the explorations extend north and south over a considerable portion of the country?—Yes; they explored to the right and left over a considerable area.

Q. "You spoke of Rat Portage as being the only place where the Lake of the Woods would be crossed?—The question of crossing the Lake of the Woods itself at another point by a number of Islands, had been considered, but the expense would be very great indeed, and the policy of crossing these wide stretches of water is very questionable.

Q. "What is the character of the country east of the Narrows of the Lake of the Woods?—The country is very much like a continuation of the Lake of the Woods, full of Lakes and Islands—about as much water as land. You can hardly tell where the lake begins and where the land ends. That is the general character of the country.

Q. "Is it so, north of Sturgeon Falls as well as west?—Yes; north and west from Sturgeon Falls. I speak of what is called the country to the east of Lake of the Woods. It is full of islands and inlets and deep water filled channels.

Q. "Would not a line from Sturgeon Falls, through the Narrows, to Winnipeg, be much shorter?—Yes; if you could get a line. There is another point of importance in connection with it—it would pass very near the American territory. I do not think we could get a line through by the Narrows at all, there are so many things that are really impracticable. An attempt was made nearer home to cross a lake much smaller than that—I refer to Rice Lake—and it failed after a great deal of money had been expended on it.

Q. "What is the distance between the Islands at the Narrows?—I really cannot tell you without referring to the profiles.

Q. "Would not the consideration of being able to use the navigable waters from Sturgeon Falls and the north arms of Lake of the Woods, have justified a larger outlay in the construction of a road on the southern than on the northern line?—It would, certainly, but we found no practicable line at all.

Q. "What is the length of the line from Thunder Bay to Selkirk?—410 miles; from Selkirk to Rat Portage it is 117 miles.

Q. "What is the distance by the other route, from Thunder Bay *via* Sturgeon Falls?—I could not tell you; there is no other route except what you might draw on the map yourself. We have found no other route.

Q. "From Sturgeon Falls westward, as far as examined, are there any considerable difficulties in the way of railway construction?—For fourteen miles west of Sturgeon Falls there is no great difficulty, but after that serious difficulties continue all the way.

Q. "You say you have obtained what you consider exhaustive information as to this country, from the point fourteen miles west of Sturgeon Falls to the Narrows?"  
 "—Yes.

Q. "And you are prepared to say that no feasible line could be found there?"—I am very unwilling to say there is no practicable line, but I am not prepared to report on any practicable line. I am very unwilling to say it is impracticable, because we do not like to admit there is anything impracticable in engineering, but it is on that ground alone.

Q. "Would the expense be greater even if the line were shorter, than the expense involved in the longer line northward?"—From the inspection of the map it would appear that the distance would be shorter; I do not know how many miles, but I am sure that when you came to make the survey you would have to diverge so much from a straight line to get a proper grade that it would be greatly increased in length. It is a most difficult, broken country. The crossing of the Lake of the Woods is, in my opinion, entirely out of the question. I am aware that Mr. Dawson thinks differently that it could be done.

Q. "Did you have soundings made at the crossing of the lake?"—No; we accepted Mr. Dawson's soundings as being correct.

Q. "Have you any estimates as to what the crossing at the Narrows would cost?"  
 "—No.

Q. "Is it so serious as not to justify you in making an estimate?"—Yes; it was so serious a matter, that the idea of making an estimate was never entertained."

A. Mr. Fleming's statement is a mistake as regards the crossing of the Narrows of the Lake of the Woods, and my impression is that no instrumental survey was made east of the Lake of the Woods on that line. You will see from the map which I have submitted, that there is not the slightest similarity between Rice Lake and the Lake of the Woods, and there are none of the channels at the Narrows wider than the Ste. Maurice and other Canadian rivers which were crossed very easily.

Q. I see in the No. 2 crossing on the map the greatest width of the channel at the Narrows is 1,075 feet?—Yes.

Q. What is the depth?—60 feet at the middle of the deepest channel at crossing No. 2. The average depth at crossing No. 1 is 16 feet. You will see from Mr. Fleming's evidence that he never made any measurements at the Narrows; I should say that it was an important part of an engineer's duty to make such measurements in an important matter like this, as would enable him to indicate where the water ended and where the land began.

Q. You will admit that Mr. Fleming's experience as engineer is very large?—I do not call in question Mr. Fleming's experience as an engineer; but as far as the Narrows of the Lake of the Woods is concerned, he was never there.

Q. Still he takes your figures and soundings?—As far as the crossing of the Narrows of the Lake of the Woods is concerned, I am prepared to say that it is quite feasible, and would not in my opinion cost more than would an equal distance of the road at Rat Portage crossing, judging from what I have heard of it.

Q. And what you now know of Mr. Fleming's opinion does not change yours as to the crossing of the Narrows of the Lake of the Woods?—Not in the least; I am of the same opinion as I was before. I am of opinion that it was never thoroughly examined by Mr. Fleming's parties.

Q. In your opinion, as obtained from your own knowledge of the country, and information from other sources, do you think that the country between Sturgeon Falls and Rat Portage is more difficult than the country on either side of Rat Portage on the located line?—I think that in the rougher sections it is very much of the same character, and not more difficult.

Q. Have you ever been over the country between Port Savanne and Rat Portage?—I have frequently passed from the one place to the other, and have had many exploring parties in different parts of it.

Q. You have never been yourself over the country between Savanne and Rat

Portage by the located line?—Not the entire distance, personally, by the located line.

Q. Have you ever sent out engineers to find a line between those two points—between Savanne and Rat Portage?—I have sent out to survey and explore down to Sturgeon Falls, but not by the located line between Savanne and Rat Portage; my explorations were to the south of that line.

Q. Have you ever yourself gone through, or sent engineers through on the line between Sturgeon Falls and Rat Portage?—Part of the way I have.

Q. Have you sent them through from Rat Portage eastward—have you ever made a survey in the direction of Sturgeon Falls eastward from Rat Portage, yourself?—No; I never made a survey at Rat Portage; my surveys went to the south of that.

Q. You admit that you have neither surveyed it yourself, nor have you ever sent engineers to survey on either line?—Not quite; what I say is this: I have often been along the country between the two places, not very far south of the line you mention. My opinion is derived from a knowledge of the country, and from information obtained from the people who are in it, and with whom I had every means of communicating, through years, in my capacity of Indian Commissioner, as well as Engineer of Works. A man must have but little perception if he goes through a country, and is in constant intercourse with its inhabitants, if he does not acquire a knowledge of its general character. I am not very much mistaken as to the general character of that country.

Q. Mr. Fleming was never personally there, and knows it only from report?—And, I am afraid, very imperfectly as regards the Lake of the Woods crossing.

Q. Do you know anything as regards the country on the present location of the line?—I know it very well as far as Lac des Mille Lacs and forty miles beyond that lake.

Q. Do you consider it as desirable for purposes of settlement as the southern line?—About the height of land the country is very poor; but I think there is more good land on the southern line, and a better climate.

Q. You spoke of the little trade that might be through Fort Frances Lock, and said it might be timber; would not a slide have answered the purposes of the probable trade there better than a lock?—In running saw-logs down, a slide would be perfectly sufficient, but I do not think that even a slide is required for running logs down the Fort Frances Fall. The lock might be used for taking down sawed lumber.

Q. But there are no mills there yet?—No; except the one at Fort Frances. And further deponent saith not.

S. J. DAWSON.

Hon. Mr. Scott submitted the following answers to enquiries by the Hon. Mr. Macpherson:

1st. Q. What is the date of the railway contract to Shebandowan?—The contract was awarded on the 3rd April, 1875, and the contract was signed on the 13th April.

2nd. Q. What is the date of the cancellation of the contract?—The contractors were notified on the 19th January, 1876, that the contract would end 15½ miles east of Shebandowan on the 7th March, 1876; the contractors elected to end their contract at the point above named.

3rd. Q. What is the date of the contract to Port Savanne?—The contract was let on the 7th June, 1876, and it was signed on the 25th June.

OTTAWA, 24th April, 1878.

MICHAEL HARRIS, called and sworn, was examined as follows :—

Q. Are you at present employed on the Pacific Railway Staff?—Yes.

Q. What is your occupation?—Leveller.

Q. Do you know the country north and west of Lake Superior to the Lake of the Woods?—Yes; I have spent a good many years in that country. I have been there more or less since 1869.

Q. Did you spend the summers there?—Yes; both summer and winter.

Q. How were you first engaged up there?—I was first in the employ of Mr. Dawson on the Dawson Route.

Q. Are you acquainted with the country between Sturgeon Falls and the North-west Angle?—I have been over sections of it a good deal. I have been a good deal on the main route and on different routes.

Q. Were you with any of the engineering parties on the line?—Of course the engineering parties have generally run north of that. I have been on the line from White Fish Bay to Manitou River. White Fish Bay is on the east side of the Lake of the Woods. I have been over portions of the located line also.

Q. I want you to speak of the country between Sturgeon Falls and the North-west Angle or the Narrows?—Of course, I can only speak of the sections from Rainy Lake, or Fort Frances north to the Manitou River.

Q. Have you been up the Manitou itself?—Yes; I have been up and down frequently

Q. A dozen times?—Yes; twenty times

Q. Can you speak as to the character of the country on which this proposed line of Mr. Dawson's is laid down?—On either side of the Manitou the country is very high and rocky. The western portion of Rainy Lake is not correctly laid down on the map. A great many bays run up, and there is a great deal more water than is shown on the plan.

Q. Have you surveyed the country?—Different sections of it, and some of the lakes on the Dawson Route.

Q. Have you surveyed Rainy Lake sufficiently well, to speak of the bays? When you talk of surveying, do you mean levelling?—I scaled the lakes.

Q. How far on either side of the Manitou have you explored the country?—I can only speak in a general way of that country, as I just passed up and down in a canoe. I have been east of the Manitou about ten miles.

Q. What is the character of the country there?—It is a very high, rocky country.

Q. Is it feasible for the construction of a railway?—I have not explored the country sufficiently for a line, but it is a very doubtful, bad looking country. At the time I was through that country I was exploring for timber, I was not exploring for a line at all.

Q. Would your observations not justify you in giving an opinion as to the character of the country?—I could give you an opinion so far as relates to the country to the north of the Manitou.

Q. But as to the crossing, what is its character?—It is a very high country. There is a fall there in the first place of 47 to 50 feet.

Q. What is it, rock, or clay, or sand?—At the portage it is clay on the top, but I fancy you would very soon strike rock.

Q. What is the height of bank above water?—About 80 feet, I think. The height of the fall above is 48 feet.

Q. How do the banks correspond on each side?—The bank on the east side is lower.

Q. What is the difference in the heights?—25 or 30 feet, speaking from memory.

Q. Did you measure it?—No; I did not, I speak from observation; that is my impression of the height.

Q. Are there any bodies of water besides Manitou running down to Rainy Lake that are not shown on the plan?—Not that I am aware of.

Q. How high do those bays run up?—I did not survey them; of course it is only guess work, but I should say probably eight or ten miles.

Q. Farther in than is shown on the plan?—Yes.

Q. Do you know that to be a fact?—Yes; judging from what I could see going up in a canoe. I would not speak of it unless I was perfectly confident that the bay existed.

Q. Did you cross Rainy Lake a dozen times and penetrate into the interior of that country?—Yes; more than that. I have been up there since 1875, three or four times a season.

Q. Are there any deep ravines running up from Rainy Lake?—Yes; as far as I can judge from the west shore, it is a very high country. You can see the high ranges running. It is a *bolé* country which you can see very well, as you coast along the shore, ten miles south of the Manitou Rapids.

Q. Are they rocky ravines?—There are very high ranges running north and south there.

Q. Do the ravines terminate in Rainy Lake?—Yes; I believe so.

Q. Were you on that line that Mr. Garden surveyed from Sturgeon Falls?—No; not from Sturgeon Falls. I have not been on Garden's line from Sturgeon Falls to Manitou Lake.

Q. Were you on the portion further west?—Yes; I was on the portion west of Manitou Lake to Lake of the Woods. I traversed all the lakes on the plan, from Manitou River to White Fish Bay.

Q. Which is the better country, on the north or on the south, north-west or south-west of that chain of lakes, for the railway?—The country improves as you go north of that; it is all very rough.

Q. Have you been through between that chain of lakes and this proposed line of Mr. Dawson's?—No.

Q. How far to the south-west of that chain of lakes you speak of, have you been?—I coasted along by Sabascong Bay, and crossed Turtle Portage, and explored the country there for timber. I coasted from Turtle Portage towards the Narrows of the Lake of the Woods. I have been in the country several miles east and west of Turtle Portage. It is a very high rolling country.

Q. What do you mean by a high country?—A country going from about 100 to 250 and 300 feet above the level of the water.

Q. Is that the general character of that country?—It is the general character along there.

Q. Did you take the levels?—No; I speak merely from observation.

Q. Do these elevations rise perpendicularly?—Some places they do; as a rule they rise perpendicularly.

Q. Have you gone up to the crossing known as the crossing at the Narrows?—Yes; the first time I was there was in 1875, and I have been there frequently since.

Q. Were you ever there with any engineers with a view of finding a crossing there?—I went there with Mr. Hazlewood, the District Engineer in charge of the works from Thunder Bay.

Q. Did you go there for the purpose of seeing the crossing for railway purposes?—Yes. The Islands do not seem to be laid down correctly in Dawson's plan at all. There are no such islands there as are represented in the position he represents them. Mr. Dawson has got a cluster of islands between the main shore and the islands which we saw. We could not find any such cluster of islands as he has laid down in his plan.

Q. Did you look for them?—Yes; we went there specially to look for them.

Q. What is the gap of water you found there?—We did not measure it; but I should say it is fully half a mile at the narrowest point.

Q. Do you know the depth of water?—No; we never took any soundings.

Q. Is it deep or shoal water?—It is deep water.

Q. Did you and Mr. Hazlewood come to any conclusions as to its facilities for crossing?—Mr. Hazlewood condemned it for a crossing as soon as he saw it, and said it was utterly impracticable. We did not take any further measurements for crossings, or soundings.

Q. That is, it was so plainly impossible that it was not necessary?—Yes; it was so manifestly impracticable that we did not consider it necessary to make any tests of it.

Q. Did Mr. Hazlewood measure it?—No; he did not measure it.

Q. Are you sure you were in the place indicated by Mr. Dawson as the Narrows?—Yes; at the place indicated as the Narrows of Mr. Dawson's plan.

Q. How many times have you been at the Narrows?—Half a dozen times. In fact, I heard of the Dawson scheme for crossing the Narrows, years before I went there, and I took particular observation of it in consequence the first time I saw it.

Q. Did you make no examination of the No. 2 crossing?—No; we did not.

Q. Have you been through it?—I have been there a couple of times. I cannot speak very much of the crossing, but I can speak as to the country to the west of it. It is a fearful country. I have been over it, and spent two winters in it.

Q. Is it practicable for a railway there?—No.

Q. Have you been in the country on the western side of Mr. Dawson's second crossing?—Yes; I am familiar with the country to the west of it.

Q. Do you think that crossing is practicable?—I think not.

Q. Have you explored the country there very widely?—Very carefully and very widely. I have explored the country thoroughly to within a few miles of section 15.

Q. Does the country improve as you go west?—It is a very low part of the country all through.

Q. What proportion of water and land is there, through there after you cross that broad peninsula?—I should think there is 60 per cent. of it water.

Q. Have you explored the country sufficiently to speak positively?—Yes; and I should say there would be at least 60 per cent. of it water. I have explored from crossing No. 2 to within two miles of section 15 on the located railway. I made a topographical survey of the country in connection with the lines. Of course, it was only compass work, but I had to make connection with the different lines.

Q. Did you take the levels?—No; we did not.

Q. But the configuration of the country is such as to leave no doubt on your mind as to its facilities for railway purposes?—Certainly.

Q. Were you ever at Rat Portage?—Yes.

Q. Have you been any number of miles east and west of Rat Portage by the located line?—Not many miles on the located line; of course I have explored the country through there.

Q. You do not know whether the country through which the located line passes is as difficult as that which you have described?—I have traversed the chain of lakes north of the line to Black Sturgeon Lake, and I could judge of the country without being over the whole of it; and it appeared to be very rough.

Q. Do you think the country four miles west of Rat Portage, and four miles east of it, is more favorable for railway construction than the country north of Rainy Lake and Lake of the Woods, or is it much the same?—I do not think the four miles east and west of Rat Portage is as bad as it is between the crossing No. 2 and the present located line.

Q. What reason have you for thinking it is not so bad?—Judging from the appearance of the country.

Q. Have you been on the located line there?—Yes; I have been two or three miles back on it.

Q. And the country is very much the same?—It is very similar; it is a rough country.

Q. You spoke of the ravines that fall into Rainy Lake: did you explore any of

them?—I never followed them up; I surveyed the chain of lakes from the Whitfish Bay to the Manitou River.

Q. How far the other side of that chain of lakes did you explore the country?—I did not go very far; some places I went in to look at the timber, but I could not say that I explored on each side—I merely took the coast line.

Q. So that you really knew nothing of the country on either side?—Not to any distance.

Q. But you could judge by the crossing of the ridges that it is a very rough country. You cannot speak from your own knowledge of the character of the country back from those lakes?—Nothing further than from what I could see of the ridges which followed the same course on the rivers down to the shore.

Q. You were having an eye to timber at that time, rather than exploring for a railway line?—At that time we were running an exploratory survey to ascertain the character of the country from White Fish Bay to Sturgeon Falls.

Q. When you were at Lake of the Woods with Mr. Hazelwood, were you there professionally, or as an amateur?—I took Mr. Hazelwood to the place.

Q. Were you in Government employ then?—Yes.

Q. Did you discover from Mr. Hazelwood whether his own inclination would have been in favour of a more southern route than the present location?—No; quite the reverse. Mr. Hazelwood rather wanted to go north; in fact, he sent us up there afterwards to see if we could not get a line from the Dals on Winnipeg River, below Rat Portage.

Q. Do you think Mr. Hazelwood looked very anxiously for Mr. Dawson's crossing at the Narrows?—He did. It seemed to be one of his special objects for going up there.

Q. Did he go there for that purpose?—Yes; it seemed to be one of his chief objects.

Q. Did he himself favour a more northern route?—I could not say that. I think he tried to favour any route that would present the greatest facilities.

Q. Why did he not examine the No. 2 crossing at the Narrows?—I do not think he was aware of it; in fact, I do not know why he did not examine it.

Q. He obtained his information of it from what you said?—Yes; of the country west of it.

Q. You say there are islands laid down on Mr. Dawson's map which do not exist?—They do not exist as laid down on the plan.

Q. Did you make a careful survey of the locality?—No; I did not.

Q. Do you know who proposed this plan for Mr. Dawson?—I do not. I do not mean to say that the islands which he has laid down in his plan, do not exist; but I certainly say they do not exist in the position which he has shown them in his plan.

Q. What time of the year did you survey that chain of lakes?—In the winter, on the ice.

And further deponent saith not.

M. HARRIS.

OTTAWA, 24th April, 1878.

JAMES H. ROWAN called and sworn, was examined as follows:—

Q. What is your occupation?—Civil Engineer.

Q. What is your position on the Pacific Railway?—I am now District Engineer of the Manitoba district. Formerly I had charge of the whole of the surveys from here to Livingston, about 300 miles west of Red River.

Q. Do you know the country between Lake Superior and Manitoba?—Generally speaking, I do.

Q. Had you charge of any portion of that survey?—I had charge of the whole of it while the surveys were being made, up to the winter of 1874-75, when it was divided into two districts.

Q. Then you are acquainted with the country known as the Sturgeon Falls route?—Yes; I know that that route was recommended, and, I believe, the line was located as far as Sturgeon Falls, and 12 or 14 miles further west.

Q. Are you aware why that line was abandoned?—Yes; because it was impracticable to find a line west of that, from the surveys that were made. Mr. Fleming consulted with me when I was here, when that line was recommended to be surveyed from Sturgeon Falls to the Narrows of the Lake of the Woods. When the matter was first proposed, Mr. Fleming asked me if I thought it was practicable. I told him I was afraid not; that it might be possible, from what I knew of the general geological formation of the country, to get a line from Thunder Bay to the neighborhood of Sturgeon Falls; but from that point west I was afraid, from what I knew of the formation of the country, it would be impracticable, as the ravines were all running at right angles to the route to be followed. Mr. Fleming then instructed Mr. Hazelwood, who had just at that time assumed charge of the Eastern district—now called the Prince Arthur's district—to have an examination made from Thunder Bay to Sturgeon Falls. He instructed me to have an examination made from Rat Portage to Sturgeon Falls, which I did. I instructed Mr. Forest, one of my assistants in Manitoba, to go and make an examination throughout, in a direct line as practicable—a preliminary examination, like the preliminary examinations we have made of the other lines—between Sturgeon Falls and White Fish Bay, because we had already a preliminary line from Rat Portage to White Fish Bay. That was the way we tried to get through in our first trial line in 1871.

Q. Have you got Mr. Forest's report to you of the White Fish Bay line?—I have not got it here; I thought it was submitted last year.

Q. Where is White Fish Bay?—It is about 20 or 30 miles south-east of Rat Portage on the Lake of the Woods.

Q. What is the character of the report?—It was entirely unfavourable to our getting a line in a country so exceedingly rough; and the general trend of the hills and valleys was from the north-east to the south-west, almost directly at right angles to the direction we were trying to find a line.

Q. Did it show that those ridges and valleys were very numerous?—Yes. It was from one hill and valley to another and in many cases ridges were divided by deep lakes.

Q. What were the hills composed of?—Rocks. The country was all rocks and water.

Q. What was the height of the hills generally?—They varied. As far as my recollection serves me, they were from 30 to 60 and 70 feet in height.

Q. What width, as a rule?—I could not name any width.

Q. Did you ever try the route proposed by Mr. Dawson, as laid down on his map?—No.

Q. Did you ever try any of the crossings at the Lake of the Woods?—Yes.

Q. When?—Last year.

Q. Which of them?—Both. No. 1. crossing is shortly after you leave the entrance from the North-west Angle. When Mr. Fleming spoke to me about running a line in this way because it was highly recommended. I replied: "I have been back and forward several times, and I never saw a place anything like what is laid down on this map of Mr. Dawson's." He said: "Are you sure you were not mistaken in going there?" I said: "I am as sure as a man can well be that it is not the case, and I am almost morally certain that there is no such place as is represented on that plan of Mr. Dawson's." He said: "Then you must look more carefully into the matter when you go back." When I returned I directed one of my engineers on the way out to the location of contract 15, to examine the place, which he did, and he reported to me verbally when I met him.

Q. Who is the engineer?—Mr. Carre. He is the gentleman now in charge under

me on contract fifteen. He reported that there was no such crossing as is represented on this map of Mr. Dawson's. I said: "You must be mistaken, as Mr. Dawson has reported that there is such a crossing. I believe he has had a survey made, and a careful sketch of it prepared, and the islands are as represented." He said: "Mr. Rowan, I can assure you there is no such crossing." Then, on my way out, I went to the place myself and examined it. I made no measurements, as I saw at a glance as any professional man would see—that although the place had a general resemblance to this map of Mr. Dawson's, the islands are not as shown on the plan, (exhibit "Z.")

Q. Do they afford any facilities for crossing?—No; they do not. It would be a very arduous undertaking to make a crossing at that point.

Q. What was your estimate of the greatest width?—Between a quarter of a mile and half a mile across.

Q. Is there a great depth of water?—I did not sound it. I took Mr. Dawson's figures as representing the depths. I am of opinion that the islands are not in the position shown on this plan.

Q. How are the shores at those points?—They are very rough, bold shores.

Q. Is there deep water at the edge?—Yes; pretty deep. They rise pretty suddenly; almost perpendicularly out of the water.

Q. What do you think is the height of the banks there?—They vary from ten to thirty-five or forty feet.

Q. You do not think there is any part of the banks higher than that?—Not the banks themselves; but it is higher as you go into the interior.

Q. To what height does it rise in the interior?—I think there are some points which rise above the level of the lake to a height of some eighty feet.

Q. Are they rock?—Bare rock. It has been all burnt over, and what little soil there was on it has been burnt off. I am speaking of the country on the east side of the crossing.

Q. Did you conclude, yourself, that the whole of the features of the country preclude the possibility of crossing there?—Yes. I thought it would cost such a vast sum of money. Taking that into consideration, and the other facts, that the line to be followed by Mr. Dawson's route crosses the rough country at a greater length than by our present located line, that even if the crossing could be obtained at the Narrows, the line would not be feasible. There are a number of minor crossings at the Narrows that are not as difficult as crossings number one.

Q. Did you examine them?—I examined between the main shore and the large island. I did not go in there as I considered it was impracticable.

Q. Did you examine crossing number two?—Yes; I examined it.

Q. How is the country on the other side of it?—It is a very rough country. In fact the whole of that country is very similar in character; there is very little difference in it.

Q. How are the banks on either side of the number two crossing?—They are very similar. In both cases high rock with a few live trees and a good many burnt ones on them; no soil of any account whatever.

Q. What is the breadth of number two crossing?—I never measured it; but I think it would be somewhat similar to number one. They seemed to me to be very similar.

Q. What were your conclusions about crossing number two?—My conclusions were they were both impracticable—that is without an enormous expenditure.

Q. Did you ever make an estimate of the cost of bridging them?—I have made a very rough estimate of what I thought the probable cost would be.

Q. With what materials?—Making it by erecting embankments, with a few openings in them to allow the passage of water.

Q. Did you make an estimate for the bridge?—I did; a very rough one.

Q. What were your piers to be made of?—Stone.

Q. Would not cribs of wood work do as well?—No; I think not, in an expon-

sive work of that kind. The timber would have to be renewed every few years in the neighborhood of the water.

Q. Are there any stone structures on the Pacific Railway?—Not yet; but we will have some on contract fifteen, where we have some large structures.

Q. At the outset?—Yes.

Q. Have the plans been changed for them?—No.

Q. Was it always intended that they should be of stone?—It was always intended that the large bridges at the crossings of the Winnipeg River, at Rat Portage, should be of stone and iron.

Q. Was the country between the Narrows and Sturgeon Falls ever thoroughly surveyed?—No; I think not.

Q. Between Sturgeon Falls and Rat Portage was it ever thoroughly surveyed?—An exploratory survey was made.

Q. Did you personally examine or explore it?—No; but I had parties under me who explored it, and I passed up and down the lines.

Q. Was there more than one exploratory survey made there?—One only.

Q. So that there was no thorough exploratory survey of that country made?—It was an exploration that precluded the possibility of getting as good a route as we have already got on the present located line.

Q. Between the chain of lakes on Mr. Garden's survey, and Rainy Lake, how do the ridges run, and what is the character of the country?—As I said before, the country generally speaking, between Sturgeon Falls and White Fish Bay, on Lake of the Woods, consists of hills, valleys and lakes. The general trend of them all is from south-west to north-east, from the height of land towards Rainy Lake and Lake of the Woods.

Q. Your knowledge of it is from the reports of your subordinates—you did not examine it yourself?—Yes; it is from the reports of my subordinates, and what I have seen myself. I reported in 1874 to Mr. Fleming, that from the observations we then had, and from the knowledge we had obtained of the geological formation of the country, that it would be hopeless to find a line, south of the height of land which runs south of Eagle Lake. Subsequent observations tended to show that that was correct, as similar observations, only proved the correctness of what I said to Mr. Fleming. On the north side of Rainy Lake and the Lake of the Woods, the rough country extends to about thirty-five miles on each side of the Winnipeg River.

Q. Does the present located line cross the rough country on the shortest diameter?—Yes. In about 80 miles.

Q. If the line had run from Sturgeon Falls to the Narrows of the Lake of the Woods, or Rat Portage, what length of it would have been through the rough country?—If it had run by Sturgeon Falls to the Narrows of Lake of the Woods on the route recommended by Mr. Dawson—abandoning our line altogether, and keeping south, so as to follow the Dawson Line—the distance would be, as measured on the map, 125 miles, as against 80 miles actual measurement on the present located line; but the former distance would be increased on location.

Q. That is so far as is known by surveys?—We know that all the country is rough through from Sturgeon Falls to Rat Portage.

Q. Is it rougher than the country through which the 80 miles of the located line passes—40 miles on either side of Rat Portage?—Speaking in general terms, I think it is all very similar.

Q. Did you ever express an opinion unfavorable to the finding of a line near Lake Shebandowan?—I think I may have done so.

Q. Did you not express an unfavorable opinion with respect to finding a line from Lake Superior to Sturgeon Falls?—I think I said I was doubtful if such a line could be found.

Q. But a good line was subsequently found there?—I believe a practicable line was found there. I had special reasons for expressing an unfavorable opinion of it at first.

Q. Explain what the reasons were?—As I have already stated, when the line was proposed to be run, Mr. Fleming consulted with me on the matter, as having charge of all those surveys. He asked me what my views were on the subject. I said, I was afraid we could not get a line through that country, to which Mr. Fleming replied, that Mr. Dawson had written to the Minister that such a line could be obtained, and that he had positive knowledge to that effect. My reply to Mr. Fleming was, that I was afraid, Mr. Dawson took a too sanguine view of anything in connection with the Red River route, and for my part, I could not place much reliance on his statement respecting it, because he had previously recommended the construction of an almost impracticable work, in the shape of a dam at Shebandowan Lake, which he had estimated would cost \$12,000, but when it was examined into, it was found it would cost nearer a million dollars. That is the reason why I did not think Mr. Dawson's statement was reliable, when he said a practicable route could be found by Sturgeon Falls, to the Narrows of Lake of the Woods, when Mr. Fleming told me that was the only data he had.

Q. It amounts to this, that the fact of Mr. Dawson having expressed a favorable opinion, prejudiced you against it?—No; but I did not place much reliance on Mr. Dawson's statement respecting that route.

Q. Do you know who prepared Mr. Dawson's plan, Exhibit Z?—I am not confident; but I think it was a Mr. Mara who draughted the plan for him. I have heard that such was the case.

Q. Had you charge of the Fort Frances Lock?—No; but I received instructions last year to go and see how the work was getting on.

Q. What time was that?—I think it was some time in June, last summer.

Q. Did you change the plans of the lock?—I received instructions, when I was on my way back to Winnipeg, that the depth at which the mitre sills were to be placed was to be reduced, I think, from seven feet to four and a half feet.

Q. Do you know why that change was made?—I do not. My instructions were from a telegram I received. It was intended that the telegram should have reached me before I returned from the lock, but I received it on my way down Rainy River, and I sent back instructions to Fort Frances to that effect.

Q. Are you aware that the work was temporarily suspended in 1875?—I am not aware of it.

Q. Had you any instructions on the subject?—I had not; I had nothing to do with it.

Q. I find this telegram from the Department of Public Works in November, 1875—“Close all canal works, Fort Frances. Suspend all proceedings; confer with Mr. Rowan on the subject.” Are you the Mr. Rowan referred to?—I suppose I am.

Q. But you had no communication with the Department at that time?—No.

Q. Nor with Mr. Sutherland?—No.

Q. Had you any instructions with regard to the resumption of the work?—No; the first instructions I had at all were last summer from Mr. Marcus Smith, that I should go out and see how the work was proceeding.

Q. Were you aware that the section of the Pacific Railway was under contract, and was actually under construction from Fort William to Shebandowan before the route to Sturgeon Falls was abandoned?—I have a general knowledge to that effect.

Q. You had no charge of that?—No; none whatever.

Q. And you do not know when the location was changed?—No; I do not. I know nothing of anything connected with the construction of the railway east of Rat Portage, after I assumed charge of the Manitoba district.

Q. And you were not consulted in any shape respecting the suspension of the work at Fort Frances when the location of the railway was changed?—No; I was not.

And further deponent saith not.

JAMES H. ROWAN,  
District Engineer, Manitoba District, C.P.R.

OTTAWA 27th April, 1878.

S. J. Dawson recalled, was examined as follows:—

Q. Who is Mr. Robert Ross?—Mr. Robert Ross is a Provincial Land Surveyor of high standing, whose residence is in Frampton.

Q. Did Mr. Robert Ross ever see this plan of the Narrows of Lake of the Woods which has been filed with your former deposition as Exhibit M?—It was handed in as a reduced copy of the map which he made of the Narrows.

Q. Did Mr. Ross sign the map of which this is a copy?—He signed the original map, and the plan which I now produce have been reduced from the larger map of Mr. Ross' which he has certified to. I rather think if a search is made in the Department of Public Works the original can be found there. As to the best of my recollection, I sent it into the Department in 1872. The history of the map is very simple: Mr. Robert Ross was sent to make a survey of the Narrows to ascertain whether it was practicable to run a bridge across there. He made that survey very particularly as regards the crossings of the different channels.

Q. When was it made?—In the fall of 1873. He triangulated or measured all the crossings and made the surroundings with great care.

Q. Were you with him at the time?—I was within a short distance of him at the time. I happened to be at the North-West Angle of the Lake of the Woods with other Commissioners negotiating an Indian Treaty. Mr. Ross is a Provincial Land Surveyor who has done a great deal of work for the Government. I sent him with a party to make a survey of the crossing at the Narrows in order to ascertain whether it was possible to run a bridge across there. He first surveyed one place called "crossing No. 1," on the map, he then went further north to try if he could get a better crossing and surveyed "crossing No. 2." The channels were narrower at crossing No. 2, as shown by the figures given on the plan "Z," but the islands were higher and more rocky, which would have occasioned greater difficulty in running across there. At crossing No. 1, he found the islands comparatively low and easy to get over. The islands immediately on the line of crossing marked on that plan are there, existing in the position in which he placed them according to his survey, and his survey was made under his oath of office as Provincial Land Surveyor.

Q. Were you in that neighborhood?—I was within a few miles of him.

Q. Did you visit the place during that time?—I saw him while he was going on with his work. He brought me a rough sketch, and I immediately sent him back to continue the survey. I was in frequent communication with him while he was going on with his survey.

Q. With respect to his survey, what do you know about the situation of the islands?—With regard to the islands, there are no islands set down on Mr. Ross' map but what are also down on some one of the maps made by Mr. Thompson of the Boundary Survey of 1826, from which I see this map (tracing of the district from Lake Superior to Red River) of the Pacific Railway Survey has been copied.

Q. Who made that map?—Mr. Thompson, one of the Commissioners appointed to lay down the boundary between Canada and the United States. The islands which appear in Mr. Thompson's map, appear also in Mr. Ross' map; but Mr. Ross is responsible only for the portion of the Islands immediately on the line of the crossing, although the other islands are, as near as I can judge, in about the same position as in the old maps.

Q. Irrespective of both maps, what do you, yourself, know of those islands?—I have been frequently through them, but, in merely passing through with a canoe you could not tell, with critical exactness, whether the islands were in the precise situation marked on the map. I could see that the channels were so narrow as to impress me with the idea that it was practicable to run a bridge across them, and on that account I ordered the survey.

Q. Then of your own knowledge, as far as you could judge in passing through in a canoe, the islands are in the same place as they are represented to be in those maps?—Yes; only it is a perfect labyrinth of islands, and it would strike one in

passing through them in a canoe that there are even more islands than are marked on the map.

Q. What explanation can you give with respect to the evidence of Mr. Rowan and Mr. Harris in regard to those islands?—My explanation is this: that an inexperienced person passing them in a canoe, and simply looking at it in that way could not tell whether the islands were in that position or not, and I believe they made no actual survey.

Q. Do you consider Mr. Harris an experienced person?—I consider him an inexperienced person as an engineer. He was for some time with me.

Q. You do not consider him to be a competent surveyor?—In this case I do not believe that he made a survey.

Q. Do you think Mr. Hazlewood could have made an accurate survey of it?—I do not think Mr. Hazlewood made any survey of it.

Q. But Mr. Harris deposed that Mr. Hazlewood went there with a view to seeing the place, and he said the information he had of it was so far astray that it was not necessary to make a survey, as it was evident to a practiced eye that the crossing was impracticable?—It strikes me that Mr. Ross' map with his name attached to it, in the Department of Public Works, is more reliable than any casual examination such as they made.

Q. Who prepared this map, exhibit No. 1?—It was prepared in my office from Mr. Robert Ross' map—from his field notes and map. The original map was, to the best of my recollection, sent in to the Department of Public Works.

Q. When was this map prepared?—In the fall of 1873.

Q. Are you in a position to state that exhibit No. 1 is a correct copy of Mr. Ross' map?—Yes; but it is on a smaller scale. There has been no error in reduction; the islands are all the same, and the crossings are given precisely as Mr. Ross returned them.

Q. Can you say that of your own knowledge?—I say it from my own knowledge. All I can say is: if they did not find the islands immediately at the line of crossing, as marked in Mr. Ross' map, they did not wish to find them, because they are there as marked in the map. I can attest the figures to be as Mr. Ross gave them.

Q. Were you present when those measurements were made by Mr. Ross?—I was within a short distance of him.

Q. Did you ever, yourself, take the measurements of the crossing of those islands?—I had them taken by my Assistant. I have already said that that survey was made in the usual way by one of my Assistants, Mr. Robert Ross, and that those are correct reductions and copies of his maps.

Q. Did you make the reductions yourself?—No; I had them made by my Assistants, and to the best of my recollection the original maps was sent to the Department four years ago. I gave as my testimony that the depths and widths of the crossings are given from Mr. Ross' returns, who made the survey under his oath of office as a Provincial Land Surveyor. I had authority, from the Government, to make surveys along the line of the route of which I was in charge, and it is from my surveys the general maps have been made up.

Q. Did you ever make an instrumental survey from Sturgeon Falls to the Narrows?—I never made an instrumental survey of it.

Q. Did any party of experienced Engineers go through on this line from Sturgeon Falls to the Manitou?—I could not say they were experienced Engineers, but parties went through very near it. The locality you are looking at, is the part I recommended for further exploration.

Q. Did you send a party through from the Manitou to Whitefish Bay, on this particular line?—I have had parties through very near it.

Q. But you never sent any of them through on that line?—I sent a party through, and Mr. Napier, a Civil Engineer, went through there too.

Q. Where did he go?—He went with one party in one direction, and I went with another party in another direction.

Q. Do you know that he went over this particular line laid down on the map as the Dawson line?—I know he passed from the head of the north-west arm of Rainy Lake to Lake of the Woods.

Q. Is this an island, this large piece of land in the lake near the Narrows of Lake of the Woods?—It may sometimes be an island at extreme high water, because I have heard that the water passes somewhere near Turtle Portage to Whitefish Bay.

Q. Have you gone over the line on the west side of crossing No. 2?—I have been repeatedly across to the north-west side of the Lake of the Woods, and also to Lac Plat Portage near No. 2. I could not say that I have been in the particular spot. However, I did not recommend crossing No. 2; I preferred crossing No. 1. I have been through the channels there sufficient to give me a knowledge of the country. I do not claim to have made a critical examination of this part of the north coast of Lake of the Woods; I only claim to have strongly recommended it for critical examination, which I believe was never made.

Q. You do not lay down a line absolutely?—No; I merely suggest it. I file a map as exhibit No. 2, that accompanied my report of the exploration of that country made in 1873. In concluding, I may remark that those people who have given evidence have made no surveys whatever of the Narrows of Lake of the Woods, and were not, therefore, in a position to say whether the islands on the line of crossing were correctly placed in the map or not. The assumption that they were not is simply gratuitous.

The islands other than those immediately at the crossings are from previously existing maps, which are at least perfectly correct in this: namely, that they show the crossings to be completely land-locked and sheltered from wind and wave. Mr. Thompson made more than one map showing the Lake of the Woods, and the islands on the old map are from his general plan, if not on his plan of the boundary line.

S. J. DAWSON.

OTTAWA, 27th April, 1878.

Col. J. S. DENNIS, called and sworn, was examined as follows:—

Q. Look at the map exhibit "Z," and state to the Committee whether the islands laid down at the crossing at the Narrows of Lake of the Woods are in the same position as the islands laid down in the boundary survey maps?—There are islands shown on the tracing "Z" of a size and in a position that do not appear to be marked on the Commissioners' map. The Commissioners' map is not sufficiently complete in detail to permit a thorough comparison with the tracing "Z," because the large island which appears on the scale of the tracing to be about a mile and a half distant from the west shore is not shown upon the Commissioners' map, nor are any of the islands easterly of that on the tracing given in detail on the Commissioners' map.

Q. Does the large island you refer to exist?—I take it for granted that it exists, for I see it here on the plan "Z," but it is not shown on the Commissioners' map because, probably, their object was to identify the west shore of Lake of the Woods, and when they had sufficiently identified it, and put in all the islands on the shore, it was all that was essential to show.

Q. Do you know from what map the tracing No. 4 was taken?—I cannot say positively.

Q. Was it taken from any of Mr. Dawson's maps?—That I cannot say. I had a large map of Mr. Dawson's in my office, which he was good enough to lend me the year before last, and a number of tracings have been made from it, but whether this is one of them I cannot say. I cannot identify it.

Q. Are the islands in question shown on the tracing No. 4 that are shown on the small tracing "Z"?—There is one more shown on the tracing "Z," than is shown on tracing No. 4; that is close to the west shore.

And further, deponent saith not.

J. S. DENNIS.

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OTTAWA, 27th April, 1878.

J. H. ROWAN, recalled, was examined as follows :—

Q. I should like to ask you, with respect to the crossing of the Lake of the Woods, whether you surveyed them or had them surveyed?—I did not. I took Mr. Dawson's figures and plottings.

Q. You stated in your deposition, the other day, that the islands do not exist at the crossing as shown on Mr. Dawson's map?—I stated that it is not a correct representation.

Q. Did you test that by measurements?—No; I did not.

Q. You did not triangulate it?—No; I did not.

Q. Did you think it necessary to put an instrument on it?—No; I did not.

Q. Was its dissimilarity so apparent?—The dissimilarity of the place was so great from that laid down on the map that I did not think it necessary to make an instrumental survey of it.

Q. Do you speak of both crossings?—Yes.

Q. But you speak particularly of crossing No. 1?—Yes.

Q. But you speak simply from observation without testing it by measurement?—Yes.

Q. Were you satisfied of the incorrectness of the plan without testing it?—Yes.

Q. What is the practice with engineers if a discrepancy is so gross as to be apparent to the eye?—It is not necessary to go on and prove a thing by actual measurements that is so apparent to the eye.

Q. Were you aware that you were on the same spot as those islands are represented to be?—I went there especially for the purpose, and was around and through the channels. I had sent a gentleman there before to examine the place, and he told me it was not a correct representation of the place. I was somewhat surprised, and went myself in order to be satisfied of it.

Q. Have your observations been sufficiently close as to enable you to declare that there is no practical crossing there?—I have already stated that I had no actual measurements made of it, but I consider it impracticable without a large expenditure of money.

And further, deponent saith not.

JAMES H. ROWAN,  
*District Engineer, C.P.R.*