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*Faire enregistrer l'acte de J. Ryk.*

*Hilbert aux Jrs. Meris*

J  
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1890  
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## SELECT STANDING COMMITTEE

— ON —

# PRIVILEGES AND ELECTIONS.

*RE* RYKERT INVESTIGATION.

HOUSE OF COMMONS, 2nd May, 1890.

The Sub-Committee of the Committee on Privileges and Elections have unanimously agreed to the annexed Draft Report on the reference to them in the case of Mr. Rykert, M. P.; and they recommend it to the Committee for adoption as the Report to be submitted to Parliament.

D. GIROUARD,

*Chairman.*

J. S. D. THOMPSON,

EDWARD BLAKE,

L. H. DAVIES.

### DRAFT REPORT SUBMITTED BY THE SUB-COMMITTEE.

The Committee on Privileges and Elections, under the reference to them in the matter of Mr. J. C. Rykert, M.P., beg leave to report as follows:—

We have held several meetings, and heard Mr. Rykert by himself and his counsel, have examined several witnesses, and verified several documents; and we beg leave to append a statement of our proceedings and the evidence.

In order to a correct apprehension of the issues involved in the earlier transactions it is needful to make a narrative statement.

In January, 1882, Mr. Dalton McCarthy, Q.C., M.P., as the political representative of Messrs. Shortreed & Laidlaw, constituents of his, engaged in lumbering, transmitted, with his recommendation, their application, hereafter called the Laidlaw Application, for a timber limit, to be worked by themselves, in the Cypress Hills region of the North-West Territories, seven miles deep, by twenty miles long, with clearly defined boundaries, capable of being plotted on the Departmental map.

The description was as follows:—

Commencing at the point of intersection of the 110th meridian line of west longitude with the International boundary line; thence north along said meridian 3,200 chains to a mound; thence westerly, parallel with the International boundary, 1,360 chains, more or less, to a mound; thence northerly, parallel with the said meridian line, 560 chains, more or less, to a mound; thence easterly, parallel with the International boundary line, 1,597 chains, more or less, to a mound; thence southerly, parallel to the said meridian line, 560 chains, more or less, to a mound; thence westerly, parallel with the said International boundary line, 240 chains, more or less, to the said meridian line, where the said mound is placed, 3,200 chains from the said International boundary line.

On 25th January, 1882, the Department replied to him as follows:—

DEPARTMENT OF THE INTERIOR,

OTTAWA, January 25, 1882.

DALTON MCCARTHY, Esq., M.P.,  
Barrie, Ont.

SIR,—In further reply to the application of Messrs. Shortreed and Laidlaw for a timber limit in the Cypress Hills, I am directed to say that the Minister does not deem it expedient to grant any timber berths at present in this locality. In any case under regulations, license for the limits in question would have to be put up to competition.

I have, &c.

A lithographed map of the North-West Territories, made in 1879, was kept in the Department, and it was the custom to mark applications for limits thereon by a red circle at the point applied for, containing the reference number of the application, but for some reason unexplained, or through neglect, no such mark was made in reference to this application.

Mr. McCarthy did not press the matter further, and supposed it was ended.

On the 18th January, 1882, after some previous correspondence, Mr. John Adams, formerly of St. Catharines, then of Winnipeg, a merchant tailor, not engaged in lumbering, wrote Mr. J. C. Rykert, M.P., who was also a practising barrister and solicitor, a letter as follows:—

WINNIPEG, 18th January, 1882.

DEAR MR. RYKERT,—I think I have got a good thing up here, and am told by a lumber agent that if I only apply to the Government I can get hold of it. Now I do not know how to apply and want you to help me, as I know you can if you like. Perhaps you can better yourself by helping me, as I will pay you well for all you do for me. Can I get up a company up here for limits? I can get good men to help me. I have made a good deal of money here and hope to make more.

Yours truly,  
JOHN ADAMS.

To which Mr. Rykert, on 25th January, replied as follows:—

25th January, 1882.

MY DEAR ADAMS,—I am delighted to hear you are making money. Nothing would please me better than to see you here again with a fortune. As regards the matter you spoke about, I shall be pleased to assist you and the company in any way I can, and of course I would be glad to better myself in any way which is fair and honourable. It seems to me you ought to organize the company with good men, as you suggest, and then apply to the Government. I expect to be in Ottawa in two weeks, when I can perhaps do you service. Keep me posted as to what you want.

Yours truly,  
J. C. RYKERT.

Before 10th February, Adams seems to have sent Mr. Rykert a memo., and on that date Mr. Rykert wrote him as follows:—

10th February, 1882.

DEAR ADAMS,—I cannot make out from the memo. sent me where the timber limit is or the boundaries of the same. I have made enquiries in the Department and they tell me it is necessary to state as nearly as possible the boundaries in the application within which you wish to select fifty square miles (you cannot have any more), but they will not permit you to wander all over the country. I think they will let you select a limit out of a defined area of 400 square miles. I am afraid you are going into a very uncertain speculation, and better make more enquiries.

Yours truly,  
J. C. RYKERT.



Before 19th February, there seems to have been an interview between them; and on that day Mr. Rykert wrote to Mr. Adams as follows:—

OTTAWA, 19th February, 1882.

DEAR ADAMS,—After talking over the matter with you yesterday I put in your application, but I am afraid you will have to be more definite in your description. They tell me in the office there is no timber within the area fixed by you. I will try to have application allowed as soon as possible.

Yours truly,  
J. C. RYKERT.

On 25th February, Mr. Rykert enclosed to the Minister of the Interior an application on behalf of Adams for an area commencing about 5 miles west of the 110th Meridian, at a point about 5 miles south of the trail between Fort Walsh and Fort McLeod, thence north parallel to the Meridian line 25 miles, thence west 20 miles, thence south 25 miles, thence east to place of beginning; and in his covering letter certified to Mr. Adams' capacity to fulfil the obligations proposed.

Before 2nd March, Mr. Rykert seems to have seen Mr. Macpherson, then acting for Sir John A. Macdonald, Minister of the Interior, on the subject; and on that day Mr. Macpherson wrote Mr. Rykert as follows:

OTTAWA, 2nd March, 1882.

DEAR MR. RYKERT,—There are half a dozen ahead of your friend, Mr. Adams. Better apply for a limit where he will have less competition. If he does so, it shall be granted if possible.

Yours very truly,  
(Signed) D. L. MACPHERSON.

Thereafter Mr. Rykert with a Departmental officer searched the map and its references, and found that none of the applications recorded on the map conflicted with that of Adams; and he subsequently received from Mr. Macpherson a note intimating that the application would be granted.

On 20th March, and with reference to this note, Mr. Rykert wrote Mr. Adams as follows:—

20th March, 1882.

DEAR ADAMS,—Your application has been granted, but the Minister tells me that he thinks it will be worthless to you as the limit is a great many hundred miles from any railway, and there is not likely to be any for years. They tell me you will have to take the timber 1,300 miles by water to Winnipeg and there compete with lumber from the disputed territory. This is your own business, and you must be contented with the right to select within an area of 400 square miles. The Government won't let you play Cook & Sutherland upon it.

Yours truly,  
J. C. RYKERT.

On 25th March Adams wrote in reply as follows:—

25th March, 1882.

DEAR MR. RYKERT,—Why can you not get a bigger piece to select from, as I do not know anything about the country. It will cost a large amount for the survey. Don't you think you can take a share in it or get up a company in St. Catharines? I will be liberal to them.

Yours truly,  
JOHN ADAMS.

On 27th March Mr. Rykert replied as follows:—

27th March, 1882.

DEAR ADAMS,—I cannot see any use in telling you a dozen times about the extent of territory that you can select from. You have now more than is usually granted. I am getting full instructions ready for the surveyor, and you can send him

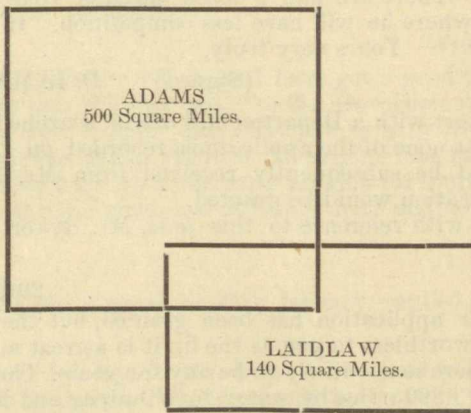
just as soon as I get the order. I would not invest any money in any such speculation, nor can I advise any of my friends to put money in a place of which I know nothing.

Yours truly,  
J. C. RYKERT.

We may here observe that it is made clear by the oral as well as the written evidence that, until after the dates of the Orders hereafter mentioned allowing survey and selection to both applicants, neither Mr. Rykert nor Adams had any knowledge of the exact locality in which the valuable timber was to be found; while Laidlaw had acted in making his application on the report of a surveyor who had been over the ground; which fact was known to Mr. Rykert.

Shortly after the 3rd April, but precisely when remains in doubt, the fact of the prior Laidlaw application was discovered; and, on plotting the applications of Laidlaw and Adams on the lithographed map it appeared that, assuming the accurate delineation thereon of the Fort Walsh trail at its intersection with the 110th meridian, which was the governing point in the Adams description, that application overlapped and conflicted with the Laidlaw application; and that Laidlaw was thus the prior applicant for a part of the area of the Adams' application.

As the trail was so delineated, the apparent interference was, and it was then supposed in fact to be, as roughly shown by the sketch below :



Adams appears to have been in Ottawa on the 3rd April, when, though no official action had then been taken, it seems to have been assumed by both parties that Mr. Rykert would succeed in carrying through the matter; and before Adams left Ottawa, the following paper was executed by him and witnessed by and delivered to Mr. Rykert:—

Memorandum of agreement made this third day of April, A.D. 1882:—

Between John Adams, of the City of Winnipeg, of the first part;

And Nannie Maria Rykert, of the City of St. Catharines, of the second part.

Whereas the above-named John Adams has, through the intervention of John Charles Rykert, obtained certain limits in the N. W. T. at or near the Cypress Hills, and has, in consideration of the services of the said Rykert, voluntarily given him, agreed, to and with the said party hereto of the second part, to give to her one-half of the proceeds of the said limits, after deducting all expenses connected therewith;

Witnesseth that the said party of the first part, in consideration of the sum of one dollar to him in hand, paid by the party of the second part, the receipt whereof is hereby acknowledged, and in further consideration of the premises, hath agreed, and by these presents doth agree, to assign and transfer to the said party of the second part one-half interest in the limits applied for and to be granted by the Government at or near the Cypress Hills, in the North-West Territory, and to pay

over and account to her for one-half of all the net proceeds of the sale of all timber thereon or for the purchase money derived therefrom, after deducting all expenses and charges in connection therewith.

Witness the hands and seals of the parties hereto the day and year above written.

(Signed) JOHN ADAMS.

(Witness) J. C. RYKERT.

On the 7th April Mr. Rykert wrote Mr. Laidlaw as follows :—  
(*Private.*)

OTTAWA, 7th April, 1882.

MY DEAR LAIDLAW,—I see that you are an applicant for a limit on the Cypress Hills, where the Government has decided that it is not politic to grant them. Your limit also interferes a little with that of Adams' for whom I applied. There is plenty of timber for both and there is no reason why the Government should not grant them. I am certain I can get them to yield and comply with my request. Are you anxious for yours, and if so, have you decided what part you would like to have? Your application covers nearly three times what will be granted, the rule being to grant only 50 miles. Let me hear from you by return of mail if you are anxious to join for this, and if you wish to have my co-operation in getting the same. I will go through Hamilton on Thursday next on my way home. I will leave here Wednesday.

Faithfully,

(Signed) J. C. RYKERT.

On the 8th April, Adams wrote Mr. Rykert, as follows :—

8th April, 1882.

DEAR MR. RYKERT,—What keeps the instructions back? Can't you hurry them up? I am sorry you did not get 800 square miles to pick from. I think the delay will make it very costly to get the survey made. I think I can get up a company in Winnipeg to pay \$40,000 or \$50,000. Then you can apply for another for me.

Yours truly,

JOHN ADAMS.

On the same 8th April, Mr. Rykert wrote Adams, as follows :—

8th April, 1882.

MY DEAR ADAMS,—I was engaged nearly all yesterday running back and forward to the Department in connection with the limit. The clerks were driven to death with some colonization matter, and could not complete the matter. I have an appointment for Monday at 11 o'clock, when I hope to get the copy of the notes and full instructions for the surveyor. I see that the application of Laidlaw was put in on January 12, '82, before yours, you will see. I got hold of the paper and examined for myself, so that there is no humbugging. They sent a surveyor named Lynch out there to examine the whole country. I hope you will be able to select a good lot from the large country you have to choose from. We have twenty miles by twenty, which is equal to 400 square miles. You had better not let a moment slip, but have all ready, as I expect to give full instructions by Tuesday at the latest. IF I COULD ONLY SEE MCCARTHY we would have no difficulty at all. I hope to see him early in the week. Let me hear about the coal in the Souris District, also inquire about the timber limit in the East.

Faithfully,

J. C. RYKERT.

On the 10th April, the following memo. was prepared in the Department of the Interior and was sent into Council for approval :

COPY DEPARTMENTAL MEMORANDUM RECOMMENDING ADAMS LICENSE.

OTTAWA, 10th April, 1882.

(*Memorandum.*)

The undersigned has the honor to recommend to Council that Mr. John Adams be granted a yearly license to cut timber on a berth of 50 square miles to be surveyed within six months, at his expense, and within the following described locality, namely :

Commencing at a point which is distant 5 miles measured due west from a post which is planted between Sections 25 and 36, in Township 7, Range 1, west of 4th Principal Meridian, in the North-West Territories; thence due north 20 miles; thence due west 20 miles; thence due south 20 miles; thence due east to place of beginning.

The lease to be on the terms and under the conditions as to survey of berth, erection of mills and payment of dues that are provided by the regulations established by Order in Council of the 11th November, 1881.

Respectfully submitted,

(Signed.) JNO. A. MACDONALD,

*Minister of Interior.*

The Honorable The Privy Council.

On the same 10th April, Mr. Rykert wrote Adams as follows:—

10th April, 1882.

(*Re Limit.*)

MY DEAR ADAMS,—After calling at the office eight or ten times I got the enclosed copy of Order in Council. It will be pushed through very likely to-morrow if the Government is not too lazy. You will see they give us 400 square miles to choose from. IF THIS IS NOT SATISFACTORY I DO NOT KNOW WHAT IS. Get your surveyor ready, and I will have his instructions in a few days. They give us six months.

Faithfully,

J. C. RYKERT.

If you can get \$40,000 let it go, and we will get another. Try McCarthy. Perhaps he will buy.

We think it right to say here that the McCarthy mentioned is a Mr. Peter McCarthy, and not Mr. Dalton McCarthy, M.P.

On the same 10th April, Mr. Laidlaw replied to Mr. Rykert's letter of 7th as follows:—

HAMILTON, 10th April, 1882.

J. C. RYKERT, Esq., M.P.,  
Ottawa.

MY DEAR RYKERT,—I am thoroughly in earnest about that timber limit, and if you and Mr. McCarthy who recommended the application of Shortreed and Laidlaw, can get a license for a limit, I would discuss with you the shares, and agree to combine the application.—One limit of 50 square miles will gather in the greater portion if not all of the good pine timber. I had better meet you when you come up, and in the meantime find what the Governor in Council will do.

Yours truly,

(Signed)

WM. LAIDLAW.

On Tuesday, 11th April, Mr. Rykert wrote Adams as follows:—

11th April, 1882.

MY DEAR ADAMS,—I to-day saw McCarthy, and he was terribly surprised to hear that I had got the limit, as he was refused point-blank. He is willing to join with us in the survey, and I go to Hamilton to get Laidlaw to say where he wants the limit. He has written me he will do almost anything if I will assist him in getting his. I will write you from home on Thursday. The Order in Council went before the Government to-day, and it is likely it will pass at once. Instructions will then be given to the surveyor. We are AWFULLY LUCKY, as the Deputy told me that no other man could have forced them to yield.

J. C. RYKERT.

And he wrote Wm. Laidlaw as Follows:—

11th April, 1882.

MY DEAR LAIDLAW,—Your letter duly received. I will succeed in getting the limits for you, although they were refused to McCarthy. I will be glad to meet you and talk over the matter. I will be in Hamilton on Thursday at about 2 o'clock. I will go up by the first train after the arrival of the G. T. R. I think we can make a satisfactory arrangement.

“Faithfully,

(Signed)

J. C. RYKERT.

Postscript: "I will telegraph you when I will reach Hamilton and perhaps you can meet me at the station."

On the same day Mr. McCarthy wrote Laidlaw as follows:—

WM. LAIDLAW, Esq.

OTTAWA, 11th April, 1882.

MY DEAR SIR,—Mr. Rykert has been in communication with the Minister of the Interior respecting his friend's application for a timber license. He wants to see about defining the boundaries of the limit applied for by Messrs. Shortreed & Laidlaw, so that some arrangement may be made if possible. I think that the limits applied for do not clash to any very great extent, but Mr. Rykert will explain.

Yours truly,  
(Signed) DALTON McCARTHY.

On the 15th April, Mr. Laidlaw wrote to Mr. McCarthy as follows:—

HAMILTON, 15th April, 1882.

DEAR McCARTHY,—I received a letter from Mr. Rykert, followed by a telegram appointing a meeting, and also your telegram. I will, of course, act on your telegram, and I have decided to incur the expense of an actual survey and plan so that we may be sure that we have the timber. The present description embraces too much land for a 50 square mile limit. I wired you to-day for information whether the limit should be rectangular or whether lines may be run forming oblique or acute angles. The survey will cost about \$500, and of course it is desirable to leave out all space upon which there is little or no timber. I would also like to have the plan I had originally and gave to Robert to show to you. Please answer as early as you can for I have difficulty in getting a surveyor, and if I am not ready at the time I have agreed I may lose my man. Mr. Justice Meredith has at last delivered judgment in that Quebec suit against Berr for \$2,010 a very small judgment.

Yours truly,  
WM. LAIDLAW.

On the 16th April, Adams wrote Mr. Rykert as follows:—

16th April, 1882.

DEAR Mr. RYKERT,—What is keeping back the order for the surveyor? I am getting very uneasy. Just as soon as this is settled, I can get up a company for \$30,000 or \$40,000, or put in the whole for \$70,000 cash. If I succeed I want to go for something else which I have on hand.

Yours truly,  
(Signed) JOHN ADAMS.

On the same day Mr. Rykert wrote Mr. Adams as follows:—

St. CATHARINES, April 16, 1882.

MY DEAR ADAMS,—You will see by the enclosed letter that my letter to Gardiner was taken out of the post office by the wrong man. I am expecting the instructions by to-day's mail. What keeps them, I cannot tell. The order was passed several days ago. Laidlaw is to meet me in Hamilton to-morrow. He has not yet got his order, and is now of the opinion that I have MORE INFLUENCE THAN McCARTHY, who told me he was refused by the Government. I hope you have really made a good strike, after all the trouble and annoyance. I expect to write you on my return to Ottawa.

Faithfully,  
(Signed) J. C. RYKERT.

Have you engaged any surveyor?

On the 17th April, the Order in Council on the Adams memo. was passed.

On the 17th April, Mr. Rykert and Mr. Laidlaw met in Hamilton by appointment.

On the 18th April Mr. Rykert wrote Mr. Adams as follows :

18th APRIL, 1882.

MY DEAR ADAMS,—I was told that your order was passed yesterday and that the chief cause of the delay was the multiplicity of business. Russell told me it was a foolish thing on Laidlaw's part to object in the first place to your application, as his covered more ground than he could claim and that it overlapped yours only a few miles, which matter he settled between you and the claimant. He says further that Laidlaw claimed that the timber he wanted was at or near Fort Walsh far south of yours.

From what I could gather in the Department, those who pretend to know anything think you are extremely foolish to risk money in an expensive survey at this time of the year.

They think you could make the survey in the summer, as you have six months, and at a very little cost. I told them what you said the expedition would likely cost you and they thought that ridiculous. I told them you were determined to push it on and that Mercer would go with the party. Will send order as soon I can get it.

Yours truly,

Exhibit No. 56.

(Signed) J. C. RYKERT.

On the 19th April, Mr. McCarthy wrote Mr. Laidlaw as follows :—

OTTAWA, 19th April, 1882.

DEAR SIR,—Your telegram as also your favor of the 15th inst., came duly to hand. I had, prior to receiving either of them, requested Mr. Lindsay Russell to obtain an Order in Council permitting you to get the 50 square miles within the limits of the application made by your friends, but I don't think it is actually necessary that you should send up a surveyor at present, unless indeed you might otherwise miss the chance of getting a surveyor.

Yours truly,

(Signed) DALTON McCARTHY.

P.S.—I think it would be better to delay until the Order in Council is passed, so that the terms of it may be known for certain.

Exhibit No. 34.

(Sg'd) D. McC.

On the 21st April, Mr. Laidlaw replied as follows :—

DALTON McCARTHY, Esq., Q.C., M.P.,  
Ottawa.

HAMILTON, 21st April, 1882.

DEAR SIR,—I have received your letter of the 19th inst., and I am very much pleased with your attention to this application.

Mr. Rykert called upon me yesterday on his way to Ottawa, and he expressed to me his wish to avoid anything like a conflict between the applications of Shortreed & Laidlaw and of Mr. Adams. *I do not know whether application of Shortreed & Laidlaw will describe the better quantity of the timber—no lines were actually run around it*, and Mr. Rykert agreed with me that the Order in Council should give Shortreed & Laidlaw first right of selection—and that as against application of Adams; Shortreed & Laidlaw are not to be confined to the limits in the description given in the application.—Application of Shortreed & Laidlaw probably embraces about 100 square miles—Application of Adams about 500 square miles—Mr. Rykert appears to think that application of Adams will also be granted, and in the drafting of the Order in Council (and I specially request that you will draft and settle the terms of this Order) I wish that you would have special regard to the description and make it broad enough to cover the first right of selection of 50 square miles within the territory described in applications of Shortreed & Laidlaw and Adams. Mr. Rykert agrees to this. We will send a competent man with the surveyor and he will show the surveyor the boundaries. I have made an engagement with a surveyor who is ready to go at once, and I would be very much pleased if you could get through the Order in Council at once—and give us the right to appoint.—The surveyor to be guided by instructions from us as to the location within the limits referred to—in all other respects by instructions from the Department.

If you find that you cannot get the Order in this form I would rather delay it and in the meantime go on and make the survey. We would not like to be absolutely bound by the description without a further inspection by a more competent surveyor than the one from whom we received the report. He was not a judge of quality of timber.

Exhibit No. 35.

Yours very truly,  
(Signed) WM. LAIDLAW.

On the 17th April the Adams Order in Council was passed.

On the 22nd April, Mr. McCarthy replied as follows:—

OTTAWA, 22nd April, 1882.

WM. LAIDLAW, Esq., Hamilton.

MY DEAR SIR,—I have yours of the 21st instant. The minutes of the Order in Council have gone in *re* Mr. Adam's application, and Mr. Lindsay Russell has promised that yours, or Shortreed & Laidlaw's shall go through at once. You are, however, very much mistaken in supposing that your friends are to have the selection from the limits applied for by both the applicants. Your friends are to be allowed to select from the limits defined in their application, 50 square miles, and Adams the same except where his description overlaps yours. You are entitled to the prior choice. This is, I think, a reasonable settlement. I hope the Order in Council will go through at once.

Exhibit No. 36.

Yours truly,  
(Signed) DALTON McCARTHY.

On 21st April, Mr. Rykert wrote Adams as follows:—

21st April, 1882.

MY DEAR ADAMS,—Until I returned here to-day I thought instructions had been sent to you as they were promised some days ago. The Order in Council has been finally passed, and this although every effort was made to induce the Government to alter their minds. It now only remains to have the survey, and of this you will have to be the best judge. Laidlaw expects to get his, now that you have succeeded, and yesterday offered to pay one-half of the expenses, and will see you as early as possible as to this. He was very anxious to know how much I was to get, and I told him that was very little, if anything. He says the limit is a splendid one, and thinks that his is worth \$50,000 at the lowest. He thinks you and he can join together and put into a company. McCarthy wrote me that YOUR LIMIT IS NOT WORTH A CENT. This is poor encouragement, but Laidlaw, who has had the Cypress Hills explored, says they are good. Will write fully to-morrow.

Faithfully,  
(Signed) J. C. RYKERT.

On the 22nd April the Laidlaw departmental memo. was prepared for Council; and on 24th April the Laidlaw Order in Council was passed.

On 24th April, Mr. Rykert wrote Adams as follows:—

24th April, 1882.

MY DEAR ADAMS,—I have daily gone to the office for instructions and copy of Order in Council. I now enclose order, which you will see gives you the right over 400 miles. This is the largest privilege ever given to select from, and none has ever passed in the same speedy manner. I enclose memorandum of one of the clerks, showing he will prepare instructions in a day or two. I will keep at him daily. Get ready to leave at once. Laidlaw offered to bet me \$1,000 I could not get the order passed for you, as he had been refused in January and again in February. You ought to get up company if possible and sell half for, say, \$35,000, or the whole for \$70,000. If this is done I WILL GO FOR SOMETHING ELSE.

Faithfully,  
(Signed) J. C. RYKERT.

On 25th April, Mr. Rykert wrote Laidlaw as follows :—

OTTAWA, 25th April, 1882.

MY DEAR LAIDLAW,—The Order in Council for Adams was passed the day before I reached Ottawa. They cut off a large portion so as to enable you to have the full sweep of 140 miles. I advised this before I left Ottawa and they carried it out. Your limit can be selected anywhere within the 140 miles. They would do nothing more than this. In fact this is a privilege they never give. You will have a large range. I am hurrying yours through and hope to be able to report all right to-morrow.

I am afraid Adams will complain with my yielding the south part of his limit. I have written him to wait till he hears from you.

Faithfully,

Exhibit No. .

(Signed) J. C. RYKERT.

On the 26th April, 1882, Mr. Laidlaw wrote Mr. Rykert as follows: "I have received your letter of yesterday. I fear embarrassment and disappointment if the Orders in Council are of cast iron. The Shortreed & Laidlaw application will, I believe, embrace the best quantity, but there is no good reason why Adams should not have a right over it after location of fifty square miles. It is clear to me that my suggestion was the more practicable, viz.; for selection of two fifty square miles from territory embraced in both applications—Shortreed & Laidlaw (1); Adams (2). Mr. Shortreed, a most competent man and especially trustworthy, will go and inspect and locate. I am willing to meet Mr. Adams (at Chicago, if desirable) and agree upon a basis for location and survey. And I wish to discuss with you and settle the other subject of our conversation. I had not great faith in success and this prospect must not be given away. I have special reasons to know that we must exercise promptitude and discretion, and I wish you to impress in the most positive manner upon Adams the great importance of keeping his own counsel. There are watchers who will be determined to force their way to an interest, or try to delay the issue of the licenses and we must all keep our own counsel. Try and get the orders and instructions in the form I suggested, and I will arrange for the inspection and survey at once, and will discuss the other affair with you before the inspector and surveyor goes away. Prompt and decisive work will be the order of the day as soon as you have the instructions in proper form. The surveyor should act upon instruction of Shortreed & Laidlaw and Adams for location within the territory in both applications and in all other respects on the instructions of the Department.

"If necessary wire Adams and give him caution."

"Yours very truly,

(Signed.) WM. LAIDLAW."

"P.S.—Be careful to have basis of orders right so that there may be no grounds for refusal, even although we should not literally comply with all red tape doctrine. Exhibit No. 55. W. L."

On 27th April the instructions for survey of the Adams limit were issued.

At some period of time, Messrs McCarthy and Rykert had an interview at Ottawa in which they agreed as to the settlement of the conflict or interference, and thereupon they went to the Deputy Minister of Interior, and stated the agreement in his presence, and he concurred in and agreed to forward and effectuate it.

That agreement, by the consensus of the contemporaneous written and of the oral testimony, was that—having regard to the facts that Laidlaw was the first applicant; that the applications to some extent interfered or conflicted; that the regulations in such case provided for a competition; and that the Adams' application must in any event be cut down from 500 to 400 square miles—the conflict or interference should be adjusted, and competition avoided, by the granting to Laidlaw of the right to select 50 square miles within the area of 140 square miles for which he had applied; and the granting to Adams of the right to select 50 square miles with-



in an area of 400 square miles, not however comprising any part of the area in Laidlaw's application; Laidlaw thus, as prior applicant, being given first right to his area, with which Adams was not to interfere at all.

These arrangements being arrived at Mr. McCarthy rested satisfied that Laidlaw would receive his area, and Mr. Rykert states that till a few days ago he himself supposed that in fact Laidlaw had received his area.

At the meeting before the Deputy Minister of the Interior a sketch, like that above given, was before the parties.

It is in one aspect material to know at what time this agreement and meeting with the Deputy Minister of the Interior took place.

Mr. Rykert states that it took place on the 6th or 7th April and thus preceded the 10th April when the Departmental memo. was drawn.

The mental and physical condition of Mr. Lindsay Russell, then Deputy Minister of the Interior, appears to have been, so far as we could ascertain it, such as was disclosed in the following evidence of himself and Mr. Burgess, the present Deputy Minister of the Interior:

Mr. RUSSELL's evidence:

Q. Do you recollect notifying Mr. Rykert on behalf of Mr. Adams that he would be granted the timber limit?—A. I regret Sir, that to answer your question I have to go a little aside, in order that my answer may not be misunderstood. I regret that owing to effects of the illness that caused my leaving the public service—paralysis—I cannot remember any official transaction of that kind and therefore I cannot truly answer any question of that character. \* \* \* \*

Q. Do you remember Mr. Rykert's application for a timber limit?—A. I do not.

Q. Do you remember making a report on the subject of this timber limit in the North West?—A. Unfortunately not. I have no memory of anything of the kind.

Mr. BURGESS' evidence:

Q. How long after this was it, that Mr. Lindsay Russell, continued to act as head of the Department?—A. I think until the 7th February, 1883.

Q. What caused his departure?—A. He broke his leg and his health became seriously impaired about the same time.

Q. He left in February?—A. No; he did not leave.

Q. Do you mean to say his health was not impaired at this time?—A. I think so.

Q. I understood Mr. Russell to say that that impairment of his mental powers which resulted in total loss of memory had begun?—A. I think it probably had. I do not think he was aware of it at that period. But that was my impression.

Q. Your impression was then, that he no longer had his mental faculties unimpaired?—A. Yes.

From Mr. Russell therefore we could learn nothing.

The only other oral testimony, save Mr. McCarthy's, was that of Mr. Ryley and Mr. Burgess; Mr. Ryley was a surveyor, then newly put in charge of the branch, and who was directed to plot the areas and draw the descriptions, and was present at the close of the meeting with the Deputy Minister of Interior.

Mr. Ryley says that the meeting took place before the preparation of the memorandum of 10th April; and thus so far corroborates Mr. Rykert's statement. Mr. Burgess was the Secretary of the Department and he says Mr. Russell told him of the adjustment before the preparation of the memorandum of the 10th April and thus gives a further corroboration.

But the contemporaneous letters of Mr. Rykert already set out are wholly inconsistent with this view.

His letter of Friday, 7th April, to Mr. Laidlaw shows beyond doubt that there was at that date no agreement; his letter of Saturday, 8th April, to Adams shows that he was then troubled by the application of Laidlaw; that he was then wishing to see Mr. McCarthy, an interview with whom he thought would end all difficulty; and that he hoped to see him early in the week following.

His letter of Monday, 10th April, to Adams shows that he had on that day got a copy of the Departmental memorandum for Council; while his letter of Tuesday, 11th April, to Adams shows that he on that day saw Mr. McCarthy, who was then terribly surprised to hear that Mr. Rykert had got the limit; and adds that he, Mr. Rykert, is to go to Hamilton to get Mr. Laidlaw to say where he wants his.

Mr. McCarthy's contemporaneous letters are quite consistent with Mr. Rykert's letters; and quite inconsistent with Mr. Rykert's oral statement.

Mr. McCarthy's letter of 11th April to Laidlaw shows that he had seen Mr. Rykert and that no agreement had then been reached; and that Mr. Rykert represented that he had been in communication with the Minister of the Interior; and that he, Mr. Rykert, wanted to see about defining the boundaries of the Laidlaw application, so that some arrangement might be made, if possible; and that Mr. McCarthy thinks that the limits do not clash to any great extent, but that Mr. Rykert will explain.

Mr. McCarthy's letter to Laidlaw of 19th April shows that prior to a telegram of 15th he had requested the Deputy Minister of the Interior to obtain an Order in Council permitting Laidlaw to get 50 square miles within the limits of his application.

To all this is to be added the oral evidence of Mr. McCarthy, who swears that the arrangement and meeting with the Deputy Minister of the Interior was after his return to Ottawa on the 11th April; and who proves that he was absent from Ottawa during the preceding week; and was, about the time fixed by Mr. Rykert for the arrangement and meeting with the Deputy Minister of the Interior, at the Orangeville assizes, where he was engaged in the defence in a capital criminal case; and that he returned from Toronto to Ottawa only on Tuesday, 11th April, the day on which each of these two gentlemen writes that he saw the other; and this Mr. McCarthy declares to have been his first interview with Mr. Rykert on the matter.

Mr. McCarthy tendered his fee book containing the contemporaneous entries, showing, as he stated, his presence in Orangeville at the time he mentioned; and it was stated by a member of the Committee that a newspaper of the day records his presence there; and on the 2nd May 1890, letters, including a certificate of the Clerk of the Court (to be found in Appendix No. 2. to the Evidence) were filed, further proving the fact.

We are forced to the conclusion that the interview and arrangement in the presence of the Deputy Minister of Interior did not take place till after Mr. McCarthy's return to Ottawa, on Tuesday, 11th April; it follows that Mr. McCarthy must have been deceived as to the actual condition of affairs by the concealment of the fact that a Departmental memo. had been already prepared, recommending an Order in Council for Adams.

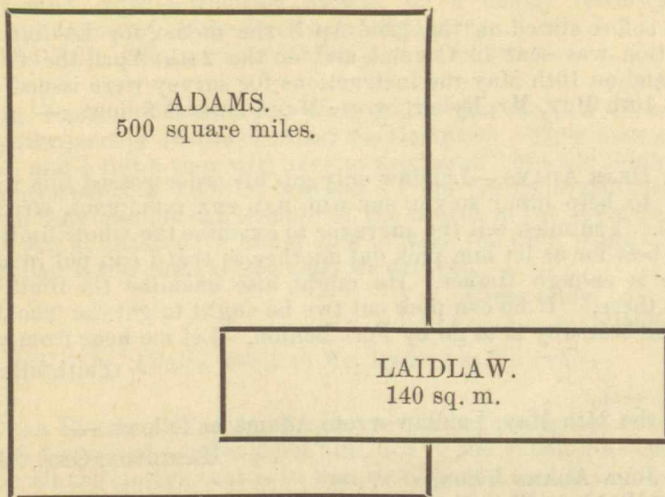
When we came to examine that Departmental memo. we ascertained that, as a matter of fact, neither it nor the Order in Council based upon it, recognized the preferential right of Laidlaw as agreed, or retrenched (to answer that preference) the Adams area, or carried out the understanding reached between the parties; but that on the contrary the description covered substantially the whole of that part of the Laidlaw area common to the Adams application; and thus gave to the second applicant the advantage agreed to be given to the first.

It was stated by Mr. Ryley that this extraordinary result was in some way due to the fact that in connection with the plotting of the area, and the preparation of the description, use was made of a new map of the Territories which had been just before filed in, but had not yet been approved by the Department, and which more accurately delineated the intersections of the Fort Walsh trail with the 110th meridian.

But the new map did not and could not in any wise affect the Laidlaw area or the execution of the agreement.

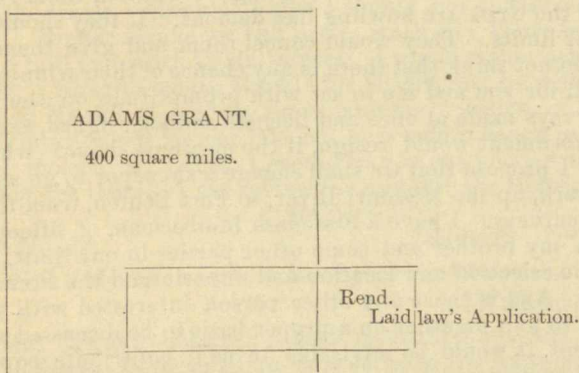
Its effect was simply to move the Adams area applied for further south, and so to bring the over-lap or interference more towards the middle of the East side instead of its being at the south end of the Adams application.

The interference would thus according to the new map be somewhat like the following sketch :

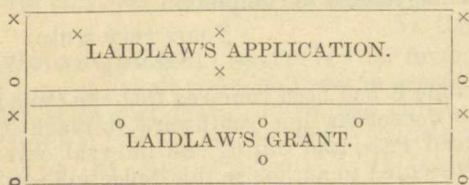


The application of the principle of adjustment agreed on remained equally obvious ; and as before involved simply the retrenchment of that part of the Adams application which was covered by the Laidlaw application.

But the Adams area described in the Departmental memo. of 10th April took no account of this ; on the contrary it embraced substantially all that was common to both as shown by the following sketch :



When some days later, the Laidlaw area came to be plotted and described, Mr. Ryley, as he says, with the approval of the Deputy Minister of the Interior, and (however that may be) of necessity, (having regard to the prior description of the Adams area) turned the course of the Laidlaw description south instead of north, thus assigning to Laidlaw an area almost wholly south as shown by the following sketch :—



It turned out that the valuable timber was in fact wholly within the part, common to both applications; and was by this means given to Adams instead of to Laidlaw.

As before stated on the 22nd April the memo. for Laidlaw according to this description was sent to Council, and on the 24th April the Order in Council was passed and on 10th May the instructions for survey were issued.

On 10th May, Mr. Rykert wrote Mr. Adams as follows:—

10th May, 1882.

MY DEAR ADAMS,—Laidlaw only got his order passed this week, and he had to get me to help him; so you see who had the influence with the Government after all. You must tell the surveyor to examine the whole limit, and after picking out the best for us let him pick out another so that I can put in another application if there is enough timber. He might also examine the limit south and see what there is there. If he can pick out two he ought to get the true description of it. I think the best way is to go by Fort Benton. Let me hear from you.

Faithfully,

J. C. RYKERT.

On the 24th May, Laidlaw wrote Adams as follows:—

HAMILTON, ONT., 24th May, 1882.

Messrs. JOHN ADAMS & SON,  
Merchant Tailors, Winnipeg.

DEAR ADAMS,—How are you? Do you remember me? I saw you at Ottawa and chaffed you about that timber limit you were after. I was after one, too, and had priority over you and I did not expect that either of us would have got a limit. Well, we have both got Orders in Council, thanks to the untiring attention of Messrs. McCarthy and Rykert.

The next thing is what are we going to do with them? The elections are coming on and the Grits are howling like demons. If they should win we might say good-bye timber limits. They would cancel them and give them to Grits. That is their way. I do not think that there is any chance of their winning this election, but it would be well for you and me to act with promptitude on the Orders in Council and get our surveys made at once and licenses actually signed, and in our possession, before the Government would resign, if the elections should (which God forbid) be against them. I propose that we shall engage a surveyor to go at once by Northern Pacific to Bismark, up the Missouri River, to Fort Benton, from there to Fort Walsh and make our surveys. I have a first-class lumberman, of fifteen years' experience associated with my brother and some other parties in our limit, and he is ready to go and make the selection and location and superintend the surveys. What do you propose to do? And is there any other person interested with you? It might be profitable to us to join together on a proper basis to be discussed and settled between us. In any event, it would be advisable for us to contribute equally for the cost of exploration and survey and I am ready to co-operate with you for that purpose. We should not delay and a personal interview in a matter of such great importance would be the most satisfactory. I would, if you will, meet you at Chicago and agree upon terms and get all the necessary documents from Ottawa to make sure work of our survey. You may wire me night message if you think advisable, or write, and if you are making arrangements on your own account and would rather not join with me in location and survey, please send me a short message to that effect, and I will push on my own arrangements to completion.

Yours very truly,

(Signed)

WM. LAIDLAW.

Exhibit No. 48.

For a considerable time it had been rumored that the Canadian Pacific Railway Company was about to deflect its line southward to reach the Kicking Horse instead of the Yellow Head Pass, and during the interval covered by those events legislation was being prosecuted to authorise this deflection; which would bring the line near the limit.

Early in July, one Muckle, the Canadian Pacific Railway Timber Agent in the District, began cutting timber on the limit, as it would seem under some private arrangement with Adams whereby he was, for a money reward, to forward a purchase by the Company of the limit at a large price.

On the 2nd July, Adams wrote Mr. Rykert as follows :—

2nd July, 1882.

DEAR MR. RYKERT,—I sent you word to-day that the C. P. R. was cutting my timber, and after getting answer, notified the Company. They have cut a good deal of the timber, and I think they will have to pay for it. Muckle thinks I can get the C. P. R. to purchase at \$60,000 or \$70,000. I am trying to get them to bite at it, anyway. Can they not get the balance of the timber in the 400 miles? I will tell them to see you at Ottawa. I would like to work the limit if the C. P. R. will not buy. It will pay better than all the cash we can get.

Yours truly,  
JOHN ADAMS.

On the 10th July, Adams wrote to Mr. Rykert as follows :—

July 10th, 1882.

“MY DEAR RYKERT,—The day I received Mercer’s telegram (I telegraphed you the same day) I received a letter from him, and in the evening he came home. My limit takes in all the timber that is in that section, and as it is in bluffs I will have to take in some open prairie. The timber consists of A 1 Douglas pine, and averages in diameter 14 x 16 inches, and will average from 45 to 65 ft. in length, very straight, free from limbs, and holds its size well. Our Hamilton friend is out of luck.”

“Muckle is cutting in the east end now, and he received a telegram from VanHorne saying to cut away, that he would soon have the timber matter arranged. So Muckle thought that he was making arrangements with me, and he said his reason for thinking so was that he wrote VanHorne a month ago to buy it or make some terms with the lessee. Muckle thinks I should not sell at less than \$80,000. It is worth more. Mercer thinks we had better work it. There is a party out here that will put up a mill and work for an interest. I would rather sell and let somebody else make a little. I had to secure Muckle his \$5,000, and he will deserve it. We have telegraphed to Muckle to send us down another location of some splendid spruce. He was locating it when Mercer left, but he wants it taken in my name, but I could not take any more in my name. I should like to see you get the papers put through as soon as you get them. I am saving the cash for the survey, &c.

“Respectfully,

Exhibit No. 16.

(Signed) “JOHN ADAMS.”

On the 18th July Adams wrote Mr. Rykert as follows :—

WINNIPEG, 18th July, 1882.

DEAR MR. RYKERT,—Mercer is back from the limit, and he will write you fully to-day. It is a great limit and I am now satisfied the limit is well worth \$150,000 to the C. P. R., and they must have the timber as there is none nearer than Winnipeg, but they are a hard people to satisfy about the value, unless Muckle will tell them all about it. I will try to get him to feel the men in the office here. I will go to Ottawa as soon as you are ready.

Yours truly,  
(Signed) JOHN ADAMS.

On the 24th July, Mr. Rykert wrote Adams as follows :—

ST. CATHARINES, 24th July, 1882.

MY DEAR ADAMS,—I am in receipt of your favor, and am pleased to learn that the limit has panned out all right, as I was in great dread it would be a failure. I am in a certain sense glad that Laidlaw has failed, as he ACTED SO INFERNAL MEAN ABOUT IT. I think if you can get \$80,000 you better sell immediately, or less than that. If as good as you say, the C. P. R. can give us at least \$60,000 and expenses. You better see them at once, and if THEY WILL BITE AT ALL tell them I

will assist them in getting all the timber within the twenty square miles. It is IMPORTANT to REALIZE THE CASH WHEN WE CAN LOOK OUT FOR MORE. Have you stopped them from cutting? This is necessary. I see by the papers that the C.P.R. is cutting timber at the Cypress Hills. I do not think it will pay to work. THE CASH IS VERY MUCH BETTER. I would not delay at all in seeing the Company. Perhaps Muckle can urge them to buy.

Faithfully,  
(Signed) J. C. RYKERT.

At the end of July or the beginning of August a suspicion had arisen in the mind of Laidlaw that, instead of his getting the area applied for and agreed on, Adams had got that area, so far as it was common to both, and that he, Laidlaw, had been deprived thereof.

Laidlaw thereupon communicated with Mr. McCarthy, who on the 2nd August telegraphed the Deputy Minister of the Interior as follows:—

(Telegram).

TORONTO, 2nd August, '82.

LINDSAY RUSSELL,

Deputy Minister of Interior, Ottawa.

Please stay issue and further proceeding in respect of Adams' timber license, Cypress Hills. I have good reasons. Consider the request special and wire whether surveyor employed by Adams had made report. Will go to Ottawa in the matter.

DALTON McCARTHY, M.P.

To which, on 2nd August, the Deputy Minister of the Interior replied as follows:—

OTTAWA, 2nd August, 1882.

DALTON McCARTHY, M.P., Toronto.

Survey report not received—no action in meantime in issuing license.  
Exhibit No. 37.

LINDSAY RUSSELL.

On the 4th August, Laidlaw wrote to Adams as follows:—

"HAMILTON, ONTARIO, 4th August, 1882.

"MR. JOHN ADAMS, Merchant Tailor,

"Winnipeg.

"DEAR ADAMS,—I received a Winnipeg paper, and I suppose I have to thank you for it, giving an account of your timber limit at Cypress Hills, and on the same day I sent you a telegram but have not received any answer. I was very well pleased to know of your success, although I confess I was very much disappointed at the statement that your limit took in all the timber in that region of the country. Our man is away in the west now and there is a strange difference in his report and your newspaper report. Can it be possible that there is a mistake about the territory? I would like to know where your location is made, and would be very much obliged for the description of it and all the information you can give me about it. Of course, if you are the fortunate one and have got all the timber away from us, we will be pleased at your success and sorry for our failure and hope for better fortune next time. I claim, however, that if such is the case and you intend to give anyone a share in the timber, we have the right to be favorably considered. Please answer fully, and if you are coming down this way, let me know where I might see you.

"Yours very truly,  
(Signed) WM. LAIDLAW."

Exhibit No. 57.

Laidlaw seems to have written to the Department at Ottawa for information, and received on 5th August, the following telegram:—

"OTTAWA, 5th August, 1882.

"WM. LAIDLAW.

"Letter received this morning, will mail to-day copy your application; Department cannot furnish copy of Adams' application without his consent.

Exhibit No. 63.

"CHAS. WM. ALLEN."

Some time in August, Mr. McCarthy wrote to the Deputy Minister of the Interior, and also telegraphed him, as appears by the following telegram:—

“TORONTO, 12th August, 1882.

“WM. LAIDLAW, Esq., Hamilton.

“DEAR LAIDLAW,—Your telegram received. Both the Minister of the Interior (Sir John) and the deputy (Mr. Lindsay Russell) are at Rivière du Loup just now, and no appointment can therefore be obtained.

“Yours truly,

“DALTON McCARTHY.”

Exhibit No. 64.

And by a letter which he wrote to the Deputy Minister of the Interior, on 4th September, as follows:—

TORONTO, 4th September, 1882.

LINDSAY RUSSELL, Esq.,  
Ottawa.

MY DEAR SIR.—When I wired you the week before last to see if I could have an interview at Ottawa, and you answered me from Rivière du Loup, I had proposed seeing you about the Cypress Hills' timber limit, as to which I have already written to say there has been a mistake through accident or design, I know not which. Now, I believe Mr. Adams is either at Ottawa or some agent of his is, has been, or shortly will be, to ask for the license, but if it be given to him it will only cause a great deal of trouble, and make it much more difficult to do what is right in the matter. The portion applied for by my constituents, Messrs. Shortreed & Laidlaw, and which they were to have their fifty miles out of, is the part that Mr. Adams, as I am informed, has had surveyed, and is now about seeking a license for. All this the papers I have in my possession clearly demonstrate. I want you, therefore, in accordance with your telegram, to refrain from issuing any license to Mr. Adams until I have an opportunity of seeing you, and learning that you are again at Ottawa I shall at once go down.

Yours truly,

(Signed) DALTON McCARTHY.

And by the following letter:—

“TORONTO, 4th September, 1882.

“MY DEAR LAIDLAW,—I did not go to Ottawa as arranged, as I found that Mr. Lindsay Russell was at Rivière du Loup. I therefore had to trust to my letter to him on the subject, which I hope will have kept matters safe.

“Since that I have been off for a week's run, only returning this morning. To-morrow I will wire Mr. Russell as to when I can see them, and shall go down at the earliest possible moment.

“Yours truly,

“DALTON McCARTHY.”

Exhibit No. 65.

But the letter and telegram mentioned in this letter are not on the departmental file.

On 5th September, Mr. McCarthy telegraphed the Deputy Minister of Interior as follows:

TORONTO, 5th September, 1882.

LINDSAY RUSSELL,

Deputy Minister of the Interior, Ottawa.

Can I see you on Saturday or when; important, as the facts recently disclosed seem to show that a gross fraud has been committed *re* Cypress Hill Limit.

DALTON McCARTHY.

To which the reply was:—

Deputy absent. Will telegraph on his return.

A. R.

On 2nd September, Laidlaw wrote to Mr. Rykert as follows:—

“ HAMILTON CLUB, 2nd September, 1882.

“ J. C. RYKERT, Esq., M.P.,

“ St. Catharines,

“ MY DEAR RYKERT,—In *re* Cypress Timber Limit. At the time of the application for this limit, I relied upon the letters from you and Mr. McCarthy, and I did not examine the form of description in the papers received by Shortreed & Laidlaw. I recently received information which induced me to suspect that a fraud had been committed against Shortreed & Laidlaw in the interest of Mr. Adams and made a careful examination of the papers. A gross mistake or a gross fraud had been committed and I am willing to submit the papers and information to you to form your own opinion which you will call it. I have preserved all the correspondence. The matter has been laid before the Government and all proceedings in the Adams application stayed. I went to St. Catharines to see you last week in your absence, and if you wish I will go down again, or I might probably meet you here or in Toronto in the course of next week. I only ask fair play and good faith and I rely upon my agreement with you and upon your sense of honor and justice in the matter of trust.

“ Yours truly,

(Signed) WM. LAIDLAW.”

Exhibit No. 58.

To which Mr. Rykert replied as follows :

“ ST. CATHARINES, 4th September, 1882.

DEAR LAIDLAW,—I am really surprised at your statement, that there has been any fraud committed on the part of Adams. This I entirely repudiate. You will bear in mind that you applied for something like 400 square miles, which was positively refused. My application for Adams was subsequently granted, but at the very last moment it was discovered that you had applied for a part of the same territory. I then saw McCarthy, who said that no such application would be entertained. I told him I could get it through for him and we then went together to Mr. Russell. The two limits applied for were shortened up by the Russell and both of us were satisfied. You yourself stated in a letter to Adams that you were indebted to me for the Order in Council. I knew nothing of the territory; Adams knew nothing except what he was told by others. It is rather late in the day after Adams has, at an enormous expense, made his survey, for either party to complain. Have you made any survey or have you explored the land within your limit? I will be here to-morrow and Wednesday, when you can see me. I am too unwell to leave home.

“ Yours,

(Signed). J. C. RYKERT.

Exhibit No. 66

On 5th September, Mr. Rykert wrote Adams as follows :

“ ST. CATHARINES, 5th September, 1882.

“ DEAR ADAMS,—Laidlaw called at my office in my absence in reference to the limits. I yesterday received a letter from him in which he suggests fraud on your part, or in your interest in getting the limit. I immediately went to Hamilton and met him at the station by appointment. My object was to know what he really meant. He did not dare to charge me directly with fraud, but insinuated that somebody was guilty. He wanted me to see you and get him an interest in the limit and intimated that if you did not do so he would take proceedings at Ottawa to prevent the issuing of the license. I told him to crack ahead and do all he could. Will see you to-morrow.

“ Faithfully,

(Signed),

J. C. RYKERT.”

Exhibit No. 59.

And on the 7th September, as follows :

“ ST. CATHARINES, 5th September, 1882.

“ DEAR ADAMS,—I wrote to Russell on the 5th informing him of your arrival here and that you had entered into certain contracts on the strength of the Order in Council. I also stated to him that Laidlaw was only trying a game of bluff in



entering a protest against the license. It is very singular that he should offer to purchase the limit or an interest in it and afterwards apply to defeat you. In my opinion he is only trying to force you into terms. He never, until lately, insinuated that there was any fraud, and he knows full well that everything was done in a straightforward manner.

Exhibit No. 60.

“Very truly,  
(Signed) J. C. RYKERT.”

On 6th September Mr. Laidlaw telegraphed Deputy Minister of Interior as follows:

HAMILTON, 6th September, 1882.

LINDSAY RUSSELL,

Deputy Minister of the Interior, Ottawa.

Please record caveat against Adams' license at Cypress Hills on ground of fraud, and stay all proceedings until notice given to Dalton McCarthy, Q.C.

SHORTREED & LAIDLAW.

No communication was made to either Mr. McCarthy or Mr. Laidlaw of any action being about to be taken by the Department; nor were they asked to state their objections; nor was Mr. McCarthy given an appointment as requested; nor did they learn what had been done meanwhile, till Mr. McCarthy, being in Ottawa in October on other business, called at the Department and learned, to his great surprise, that the license had been issued.

Whereupon, on the 9th October, he wrote Mr. Laidlaw as follows:—

“OTTAWA, 9th October, 1882.

“WM. LAIDLAW, Esq.,

“Hamilton.

“MY DEAR LAIDLAW,—Notwithstanding Mr. Russell's telegram that nothing should be done as to the Cypress Hill limits without letting me know, and by repeated protests by telegram and letter, Mr. Russell, during the last week of August, reported to Sir John, while the latter was at Rivière du Loup, on Mr. Rykert's application, and the license was granted to Rykert's nominee, Adams. Mr. Russell represented that I opposed it, but also misrepresented that he had settled or ‘adjusted’ our rival or conflicting applications; that neither of us knew anything about the location of the timber, and insinuated that it was only because Adams had had the good luck to find timber on his range that we were now protesting. He omitted to bring to Sir John's notice, my allegations of fraud, and his own undertaking that nothing should be done without my being heard from. He pretends to say that he recollects perfectly that Rykert and I agreed to the location of the limits assigned us respectively by the Orders in Council, and that Rykert had nothing to say to it, more than I had in agreeing to it.

“How far this is from the truth my letter to you proves, and the enclosed rough sketch affords intrinsic evidence that no such agreement was ever made, for, according to it, we abandoned all but a narrow strip of our original application.

“We must move at once, and if you come to Toronto Tuesday night, bringing all your papers and especially my letters and Rykert's, we will prepare a petition or take such action as may be proper.

“I confess I cannot understand Mr. Russell's conduct. It is all between him, Ryley and Rykert, and time will disclose to what extent the two former are accomplices or dupes.

“Yours truly,  
(Signed) “DALTON McCARTHY.

“P.S.—Come to my house at 8 o'clock p.m.”

Exhibit No. 68.

We now proceed to state all the information we have obtained as to how this came about.

On 25th July, Mr. Adams wrote Mr. Rykert as follows :—

25th July, 1882.

DEAR MR. RYKERT,—Surveyor preparing his report and it will be sent to you immediately. Hope I can sell to the C. P. R. and get rid of the limit, as I would rather have the cash, and then I could get up company for another limit.

Yours truly,  
(Signed) JOHN ADAMS.

On 1st August, Mr. Rykert replied as follows :—

St. CATHARINES, 1st August, 1882.

MY DEAR ADAMS,—I duly received your letter to-day and hasten to reply to the same. It will be necessary, I think, that I should see the report before it goes in. You had better get the surveyor to send his report addressed to the Minister, under cover to me, and I will examine same before taking to Ottawa. It will also be necessary to send the instructions which I forwarded to you, so that I can see that they are fully complied with. It seems to me that he ought not to be paid in full until you ascertain that his report is all O.K. I hope he has done as directed. It may be necessary for me to correct them, and, therefore, I think they better be sent to me first under cover. If all right, I will take them on. I still am of the opinion that you better sell out bodily and get the cash, if they will pay you \$75,000 or \$80,000. We would then be in a position to go in for something larger, if possible. What are trees worth in the ground standing? What, also, are telegraph poles worth? That notice in the paper is pretty well got up. I guess I can see who wrote it or dictated it. Can you not get some railway man in whom you have confidence to go to VAN HORNE and tell him the Railway Company ought to purchase, and that the limit is well worth \$150,000. SOME SUCH A GAME AS THIS MIGHT TAKE WELL.

Faithfully,  
(Signed) J. C. RYKERT.

There is no necessity for you coming to Ottawa at all. I can get it all done without you. All they do is to mail a lease, as usually done. No use in wasting money travelling.

The apprehension of some trouble seems to have been before Adams on 3rd August, when he wrote Mr. Rykert as follows :—

3rd August, 1882.

DEAR RYKERT,—I am so anxious about this affair that I will leave for Ottawa next week, and will meet you in Toronto on my way. I have got a regular bonanza. Don't let them beat me out of it after all my hard work and expense in paying thousands for survey. I was talking to McCauley about getting up a company, but Peter has not much faith in it. I think I can sell for \$80,000 or \$90,000 cash, or I might get up a company at double that amount and take half as stock.

Yours truly,  
(Signed) JOHN ADAMS.

To which Mr. Rykert on 8th August replied as follows :—

St. CATHARINES, 8th August, 1882.

MY DEAR ADAMS,—I duly received your letter yesterday. It is utterly useless for you to come here at an expense to get the matter closed up. Just as soon as I get the surveyor's report I will proceed to Ottawa and get the license as early as possible. It will likely take some time. I really hope you have the bonanza you expect you have. It will be satisfactory to know after my HARD FIGHT WITH THE GOVERNMENT that I did get what you anticipated. I would not go through the same difficulty again for twice the amount. I never spent such six weeks before as I did while endeavoring to force the Department to do justice. The fact of their having refused McCarthy before had a great deal to do with the delay and refusal. Poor Laidlaw. I am pleased he DID NOT GET THE START OF THIS CHILD. He thought he

was very smart and had all the influence of the country at his back. I think another time they will recognize the fact that J. C. R. IS NOT VERY EASILY DEFEATED AT ANYTHING. If you can get \$80,000 you had better sell, or if you can get up a company for say \$140,000, or even less, you reserving  $\frac{1}{3}$  or  $\frac{1}{4}$  of the stock, it might be better. This would enable you to have a very considerable lot of money, and still have an interest in the result. It seems to me that while the matter is hot it would be well to do something in this way in Winnipeg. I shall wait very anxiously for the surveyor's report, so that I can get the matter satisfactorily closed up. The people here are delighted to know that you have got a good thing. What does McCarthy think of it now? He wrote me that there was nothing in it last winter

Faithfully,  
(Signed) J. C. RYKERT.

On the 19th August Mr. Rykert wrote to Adams as follows:—

ST. CATHARINES, 19th August, 1882.

MY DEAR ADAMS,—I duly received the report of the surveyor last night, but unfortunately the oath was not signed by him, and I at once telegraphed you to get him to mail me another oath duly signed and sworn to before a commissioner or magistrate, with his signature. I can attach it to the report. I have been terribly disappointed at this mistake, as I intended leaving here to-day for Ottawa. This will delay me at least another week. I see by the report that there are  $37\frac{1}{2}$  miles of timber instead of 50 miles. If this is all timber, as it appears to be, you will have a grand future. Would it not be well to make an effort to get up a company, putting in the land at \$150,000. We might take stock to the amount of one-third. How would it do to give Wolf, say, \$5,000 to get up a company, or whatever you can agree upon. I read Laidlaw's letter. He thinks you are mistaken as to the limit he applied for having no timber. Now that it is well known that you have a grand limit, I think there will be no difficulty in getting up a large company. I WANT MRS. R.'S HALF TO BRING HER IN \$50,000 if possible. I hope you got telegraph and that you have sent me the oath. It is important that the magistrate or commissioner should sign his name as well as the surveyor.

Faithfully,  
(Signed) J. C. RYKERT.

On 25th August the surveyor's report was sent into the Department by Mr. Rykert, in a letter in which he asked for the immediate preparation of the license.

On the 28th August Mr. Rykert telegraphed to Adams as follows:—

Aug. 28, 1882.

To JOHN ADAMS,—Laidlaw trying to upset arrangement. Decision end of next week.

(Sgd.) J. C. R.

And he must, therefore, have learned, in some way not divulged, that Laidlaw was objecting.

On the same day he wrote to Sir John A. Macdonald as follows:—

"28th August, 1882.

"MY DEAR SIR JOHN,—Mr. Adams has made his survey in accordance with the Order in Council at an expense of \$5,000 in cash, and I hope there will be no delay in having the license issued. Mr. Laidlaw has done nothing, has not made any survey, and now, through Mr. McCarthy, objects to Mr. Adams getting the license.

"Before the Orders in Council were issued, McCarthy and I met Mr. Russell, and we agreed upon the respective boundaries. Each party was quite satisfied. Mr. Russell will tell you that there was no mistake, no advantage taken, but everything done in good faith. It would be an outrage now to delay the license, especially after all the expense and trouble. Mr. Russell will report, I think, that I am fairly entitled to the license.

"Will you kindly give the Order at once, so that there will be no more delay. Would it not be absurd to say that after all parties agree to an Order in Council we should be allowed to protest against one or the other.

"Up to this day Laidlaw has not made his survey.

"Faithfully,  
(Signed) "J. C. RYKERT."

On the 31st August the Deputy Minister of the Department of Interior wrote to Sir John A. Macdonald as follows:—

"DEPARTMENT OF THE INTERIOR."

"OTTAWA, 31st August, 1882.

"Rt. Hon. Sir JOHN A. MACDONALD, K.C.B.,

"Minister of the Interior, Rivière du Loup *en bas*.

"MY DEAR SIR JOHN,—I enclose a letter from Mr. Rykert, representing Mr. Adams, respecting a timber berth near Cypress Hills, for which he had Order in Council to locate within certain limits.

"Messrs. Shortreed and Laidlaw, who were represented by Mr. Dalton McCarthy, had a like Order for similar location in an adjoining tract.

"The latter complain that the choice made by Mr. Adams is within the bounds of the original application by them, to meet which the Order in Council in their favor was passed, and affirm an official blunder in our having included in the tract within which Adams could locate ground which formed part of their prior application.

"The matter truly stands thus: Both parties filed applications of unreasonable extent, so much beyond anything that could in rule be granted that I assumed that their conflict, on one side on which they overlapped each other, was of secondary importance, and also assumed, as acting for you, the right to deal with them by a curtailment and re-adjustment, in such wise as to do away with the overlapping.

"This action I clearly explained to Messrs. Rykert and Dalton McCarthy, at an interview which I had with them together pointing out to them that the alternative would be, under the regulations, to make them compete for that part of the ground on which they both had application. They seemed fully to understand the adjustment I proposed. So far from there being any difficulty, they proposed to act in harmony, by employing jointly, with a view to economy, a surveyor to lay out their berths.

"I submit to you that inasmuch as under the regulations they would, if each maintained his application in conflict with the other, be obliged to compete, and that in their interest, not that of the Department, an adjustment doing away with such competition was made, of which both parties were cognizant, and that the adjustment was made in good faith, without any knowledge as to location of any valuable timber (for of this I was as ignorant as I believe were the parties themselves), and was therefore impartial, they can now have no ground for complaint, even though the hazard in the arrangement has, it would appear, turned out to be much more in favor of one than the other.

"It may be mentioned as additional ground for maintaining the course taken, that Mr. Adams has made a most costly survey, of which the returns have been filed, while the other party, the one that complains, has, so far as the Department is aware done nothing in this direction.

Exhibit No. 9.

"Respectfully yours,  
(Signed) "LINDSAY RUSSELL,  
"Deputy of the Minister of the Interior."

On the 31st August, Mr. Rykert wrote to the Deputy Minister of the Interior as follows:—

ST. CATHARINES, 31st August, 1882.

MY DEAR SIR,—Seeing by the papers that you were likely to be away for a time, I thought I might venture to ask you to endeavor to settle the Adams matter, and if possible sign the license before you left. I assume that Sir John will, without any

hesitation, confirm what has been done, and order the license to be issued. You will recollect that after it was determined to give Adams his limit it was discovered that one prior, that of Laidlaw, had been applied for and refused for part of the same ground. You then asked me to see McCarthy, who told me that there was no use in applying any further—that it would not be granted. I told him I was certain it could be done. He then went with me twice to your office, and agreed upon the boundary, and told you he was perfectly satisfied. In fact, Laidlaw was so well pleased he offered to pay me for my trouble. It seems very strange that they find no fault until now. They have made no survey, have done nothing—but on account of a piece in the Winnipeg paper stating Adams had all the timber (which is not true) they make a fuss. I sent Laidlaw's letter to Sir John, which particularly states he is willing to purchase from Adams, but does not complain of any injustice being done. I hope you will stand by the Order in Council and not let any of this baby play intervene to prevent justice being done. Please telegraph me if all right.

Faithfully,

(Signed) J. C. RYKERT.

Adams would like the year for the mill to commence January, 1883.

To which the Deputy Minister of the Interior replied as follows:

Memo. attached:

Telegraph Mr. Rykert, "Your letter and my report thereon mailed to Minister. Laidlaw's will also be sent moment received."

(Sgd.) L. R.

On the 1st September, Mr. Rykert telegraphed Mr. Ryley as follows:—

St. CATHARINES, September 1, 1882.

G. U. RYLEY,

Department of the Interior,  
Ottawa.

Has any word been received from Sir John since Russell's report.

J. C. RYKERT.

Memo. attached. Will telegraph when Sir John's answer to report arrives.

(Signed) LINDSAY RUSSELL,  
Per G. R.

On the 2nd September, Mr. Rykert wrote to the Deputy Minister of the Interior as follows:—

St. CATHARINES, 2nd September, 1882.

MY DEAR RUSSELL,—I herewith enclose you letter written by Laidlaw in which he states he feels indebted to me for getting his Order in Council.

In fact, he offered me an interest or a large fee if I would get the Order through. This I declined, as I felt in honor bound to assist McCarthy, who also had abandoned all idea of getting an Order at all. After mutually agreeing to the limit, as settled by you, I think it particularly mean in him charging you, or the Department with bungling. He knows he agreed to all that was done, and was very much pleased.

I also sent Sir John a letter written by Laidlaw, in which he congratulates Adams and offers to purchase his right. Adam is here waiting for his license and feels keenly the unexpected delay. I have too much faith in Sir John to believe he will hesitate a minute in adhering to the Order in Council. In fact, I do not see how he can ignore what has been done.

Faithfully,

(Signed) J. C. RYKERT.

Exhibit No 46.

On the same day he telegraphed to the Deputy Minister of Interior as follows:

St. CATHARINES, September 2, 1882.

LINDSAY RUSSELL,

Deputy Minister of Interior, Ottawa.

Have mailed you letter of Laidlaw, in which he states he did not expect a limit, but that he has to thank me for getting the privilege.

J. C. RYKERT.

On 5th September, he wrote the Deputy Minister of Interior as follows:—

ST. CATHARINES, 5th September, 1882.

MY DEAR RUSSELL,—Adams has arrived here and informs me that he has, on the ofstrength the Order in Council, entered into contract for lumber and has also signed contract for putting up mills. It does seem like a farce to delay the license, especially when there is really no excuse for Laidlaw's opposition. He is trying to play a bluff game, and wrote me yesterday that he had stopped all proceedings in Ottawa. I cannot for a moment believe that Sir John will hesitate to carry out the Order in Council, especially when you know that everything was done in good faith and that all parties were satisfied. McCarthy expressed himself as delighted that I had interceded and prevailed on the Minister to issue Order in Council. I hope Sir John will not delay the matter nor wait for Mr. Laidlaw. Every moment is important for Mr. Adams. Laidlaw's letter, which I enclosed Sir John, does not insinuate fraud, but asks to have a chance to purchase. The one I mailed you certainly shows that he felt grateful for my good offices in the matter.

I feel confident that your report must have been favorable and conclusive as to the fraud, or bungling of the department.

Faithfully,

(Signed) J. C. RYKERT.

There is no harm in stating that Adams had to pay the party who originally selected this limit \$5,000 besides the subsequent cost of survey, or in all he is out \$10,700, about as much as the limit is perhaps worth.

On the 5th September, Mr. Rykert telegraphed to the Deputy Minister of Interior as follows:—

ST. CATHARINES, 5th September, 1882.

LINDSAY RUSSELL,

Deputy Minister of the Interior, Ottawa.

When will Sir John be at Ottawa? Would like copy of Laidlaw's objections; I think he is only trying to bluff.

J. C. RYKERT.

On the 7th September Mr. Rykert telegraphed to the Deputy Minister of the Interior as follows: "Sir John telegraphs as follows: 'Licenses granted by Order in Council. I can do nothing here. Adams should see Russell.' Will you have Order in Council passed immediately."

J. C. RYKERT.

On the 8th September Mr. Rykert telegraphed to the Deputy Minister of the Interior as follows:—

ST. CATHARINES, 8th September, 1882.

LINDSAY RUSSELL,

Deputy Minister of the Interior, Ottawa.

Order in Council authorizes Department to grant license; this Sir John has apparently overlooked. Hope no more attention will be paid to Laidlaw's nonsense. He wants to levy blackmail.

J. C. RYKERT.

On the 11th September, Mr. Rykert telegraphed the Deputy Minister of the Interior as follows:—

ST. CATHARINES, 11th September, 1882.

LINDSAY RUSSELL,

Deputy Minister of the Interior, Ottawa.

Please telegraph me as to license. Adams waiting here. What is the cause of delay? Sir John said to see you.

J. C. RYKERT.

On 13th September, Mr. Rykert telegraphed Mr. Burgess, Deputy Minister of the Interior, as follows:—

When will licenses for Adams be issued? Answer, Queen's Hotel.

J. C. R.

To which Mr. Burgess replied as follows:—

Matter will be submitted next meeting of the Council.

A. M. B.

On the 14th September, Mr. Rykert wrote to Adams, as follows:—

ST. CATHARINES, 14th September, 1882.

MY DEAR ADAMS,—I wanted to see you this morning, but you are always so impatient it is hard to keep you in one spot. On Saturday next I hope to have the Order passed in Council. BOWELL HAS PROMISED ME he will do all he can to put it through. It may take all the week. I will be in Toronto to-morrow, and expect to leave by train for Kingston to-morrow night. Saturday morning I will telegraph you where and when to meet me. I want to see you. I feel quite confident we are all right.

Yours,

(Signed) J. C. RYKERT:

On the 16th September, a Departmental Report recommending the issue of the license to Adams was sent in; and on the 19th September the Order in Council passed.

The license was for 37½ miles altogether within the area, which should have gone to Laidlaw.

On the 21st September it was forwarded to Mr. Rykert in a letter, as follows:—

DEPARTMENT OF THE INTERIOR,

OTTAWA, 21st September, 1882.

J. C. RYKERT, Esq., St. Catharines, Ont.

SIR,—I have the honor, by direction of the Minister of the Interior, to enclose license in duplicate to Mr. Adams for a timber limit near the Cypress Hills for the year 1882 for his acceptance. Please return one of them to this Department. Mr. Gouin has paid \$190, being ground rent for the same.

I have the honor to be, Sir,

Your obedient servant,

(Signed) A. RUSSELL, for Surveyor General.

As this closes the first period of the history of the transaction, it may be convenient here to state certain points which we deem worthy of observation.

(1.) The decision of the Department, as stated to Mr. McCarthy in January, was not to issue timber licenses in the locality; and to apply, in case that decision should be changed, the principle of competition under the regulations.

(2.) Shortly after it was decided, at Mr. Rykert's instance, to recommend the issue of a license to his client, Adams, and this was communicated by Mr. Macpherson to Mr. Rykert.

(3.) A little later, when it was found that there was a conflict involving under the regulations a competition, the Department promoted an arrangement for an adjustment of the boundaries so as to do away with that competition, for the reasons appearing in the Report of the Deputy Minister of the Interior, of Aug. 31st, 1882.

(4.) The area of selection granted to Adams was, as shown by the written and oral testimony, including that of Mr. Rykert, and of the then, and of the present Deputy Minister of Interior, unusually large.

(5.) No grounds for, or explanation of, the change of the decision, stated to Mr. McCarthy in January, or of the action taken for the avoidance of competition, or of the unusual size of the area appeared before us.

(6.) Mr. Rykert's letters claim that these results were due to Mr. Rykert's influence and persistence with the Government; and we find that Mr. Rykert certainly used great persistence in pressing the claims of his client on the Department and the Government.

(7.) There was a strong conflict of evidence as to the date at which the agreement made, or assumed to be made as to the boundaries, namely, that Laidlaw should have the area of selection applied for by him, and that Adams should not encroach on it, was in fact made. But we are obliged to arrive at the conclusion that it was made after the 10th April, and therefore at a time when the Departmental memorandum of a contrary tenor had already been prepared, and that Mr. Rykert was guilty of bad faith in this respect.

(8.) At any rate that agreement was not carried out, but the reverse. Adams was given that to which Laidlaw was entitled, which was the common object of application, and which turned out to be the only object of value; while Laidlaw was given something for which he had never asked, to which he had never agreed, and which turned out to be prairie and not timber land.

(9.) The applications of Mr. McCarthy and of Laidlaw, made when some inkling of the facts had reached them, and before any license had been recommended, for a stay, for an appointment, and for an opportunity to be heard before any such action, though based upon the allegations that a mistake, and later that a gross fraud, had been committed, were not merely neglected, but were treated in a way calculated to lull their apprehension that a decision might be reached without their having the opportunity they asked; and meanwhile the recommendation for the license to Adams was pushed through and his license was issued.

(10.) On and after the 3rd April, that is from a period anterior to all the difficulties narrated, Mr. Rykert (who had had, as shown by the early correspondence, from the beginning accepted the relation of a person who was to receive compensation for his services) became, by means of the agreement made by Adams with Mr. Rykert's wife, through Mr. Rykert himself, which was witnessed by, and delivered to Mr. Rykert, and which was expressed to be in consideration of his services therefor voluntarily given in the matter, substantially interested in one-half of the net profits of the expected grant; and all that was thereafter done by Mr. Rykert was done under the influence of that interest.

(11.) Mr. Rykert did not divulge, but, on the contrary, kept secret, the existence of his personal interest, and assumed to be acting still only as the solicitor of Adams.

The motive for putting the transaction in the form adopted, and for concealing the true relation of Mr. Rykert to the matter we infer to have been twofold: First, to avoid any possible impairment of the strength of his representations to the executive; and secondly, to avoid any damage to his standing as a member of Parliament and a public man; and the existence of this second motive seems confirmed by the statement subsequently made by Mr. Rykert in his place in Parliament, to which we must later on refer.

We think it right to state the opinion that there is some evidence to shew, that Mr. Lindsay Russell, the Deputy Minister of Interior, may have been, at the time of these events, in consequence of his impaired mental vigour, incapable of fully apprehending the proceedings, and subject to the influence and initiative of others; and is not obnoxious to the charges of conscious wrong-doing and neglect to which he would under other circumstances be liable.

We now proceeded to deal with the latter phases of the transaction.

On the 6th October, Mr. Rykert wrote to Adams as follows:—

ST. CATHARINES, 6th October, 1882.

MY DEAR ADAMS,—I am waiting very patiently, expecting every day to hear from you in reference to the limit. I hope you will soon be able to organize a company at the figures we mentioned, viz. \$250,000. If, however, you can get \$200,000 in cash I would be inclined to let it go, and then go in for something still better. I hope we can realize a hundred thousand each. We deserve something for the trouble



we have gone to and the amount of flesh we have lost, thinking over it. It is really a wonder that I succeeded for you at all, when we consider all the opposition we had. I will leave here on receipt of telegram, if you think I can do any good. I have written Calvin Brown, of Minneapolis, to try and get up a company. He is a pretty good hand for that. Would it not be well to enquire at some of the Yankee cities, what you can get a portable saw-mill and machinery for? It might be important to have it ready to take over the C. P. R. this fall when they have built another 100 miles, as I suppose they will do this fall. It is likely they will be within fifty miles of the limit before the winter. Telegraph me if anything likely to come out of it.

Faithfully,  
(Signed) J. C. RYKERT.

On 28th November, he wrote Adams as follows:—

ST. CATHARINES, 28th November, 1882.

MY DEAR ADAMS,—It is clearly understood that Hunter was to have all over \$175,000. If he is not satisfied we cannot help that—a bargain is a bargain. I thought Mercer would reach the place by Friday last as he can go all the way to Swift Current by cars. I hope I shall hear from you this week by telegraph, and that they have closed up the matter. I cannot do any business, as I am so much annoyed about this and so anxious. I cannot be away from here on the 11th, 12th and 13th of December, as I have Court at that time.

Faithfully,  
(Signed) J. C. RYKERT.

On 12th December, he wrote Adams as follows:—

ST. CATHARINES, 12th December, 1882.

MY DEAR ADAMS,—I have been very much put out by this additional time given to the parties to purchase, and am fearful the delay will very much prejudice us in the event of their failing to carry out the agreement. I can get up a company which will run the whole affair, advance all the money we want for the working, and take one-third of the profits. This is as good as we could expect, as everybody want one-half to run it. I can get good men on whom we can rely. Did you agree to give thirty days from the time they accept to pay the money? If so, this will put us into January. I have lost all my fall Courts through this. I had two Courts this week, and, being afraid that I might be required any day, I let all the business go, which will hurt my office very much. This will NOT BE OF MUCH ACCOUNT, HOWEVER, IF WE CAN CLOSE UP THIS MATTER. Don't let them beat you down any. If any person has to come down, Hunter must, and not us. The securities ought to be so that they can be easily handled, and not all in one lump, as we will have to give Hunter his. Don't take me up until you know I am required.

Faithfully,  
(Signed) J. C. RYKERT.

These letters had reference to a sale of the limits which was under negotiation with one Sands, who eventually bought them for \$200,000.

On 25th December, Mr. Rykert wrote Adams as follows:—

ST. CATHARINES, 25th December, 1882.

MY DEAR ADAMS,—What is the reason that some person writes the full particulars of our business to some parties here? Mercer or some member of the family has written all the facts to Seymour, and he is telling them all about the city. This is very injudicious and contrary to what I asked you to do. It is of the utmost importance to keep the sale out of the papers, or we may be injured at Ottawa. Already they are threatening the Government to bring the matter before the House and, if they do it, will perhaps hurt us very much. If Sir John knows the facts, he

may prevent the transfer being recognized. Now let me again urge you to see that this is kept quiet. Why does Mercer want to tell all the Seymour family? You might as well publish it in the *Globe* at once, as they tell all they know on the streets. Let me know as early as possible the day Sands will go up, so that I can be prepared.

It is important also to pay the next year's rent on the 1st of January.

Wishing you all a Merry Christmas.

Faithfully,  
(Signed) J. C. RYKERT.

The sale being concluded, Mr. Rykert on its completion received for his wife her share of the net proceeds in the manner indicated by the receipt following dated 16th January, 1883:—

WINNIPEG, MAN., 16th January, 1883.

Received from John Adams thirty-five thousand dollars in cash by drafts on the Bank of Montreal, and four notes of Louis Sands for thirty-nine thousand two hundred dollars, payable in one and two years. All payable to the order of Mrs. N. M. Rykert and in full of the moneys payable to her under agreement.

(Signed) J. C. RYKERT,  
Her Attorney.

This division left to be accounted for by Mr. Adams to Mr. Rykert out of the purchase money of \$200,000 the sum of \$51,600, in respect of which Mr. Rykert says Mr. Adams accounted to him as follows:—

Paid or payable to Muckle.....	\$ 5,000
do Surveys.....	5,000
do Hunter.....	20,000
Rykert's fees (33 days absent in West at \$100 per day)...	3,300
	\$33,300

with some minor sums for travelling to Mercer Adams, and for law fees.

Thus leaving to be accounted for \$18,000 or thereabouts; in respect of which Mr. Rykert says Adams did not render, nor did Mr. Rykert ask for, any account or explanation, and the expenditure of which he never knew. Mr. Rykert said that he sum paid to Hunter was \$20,000 or \$25,000; of it were the latter, the balance unaccounted for was about \$13,000.

The payment of \$5,000 to Muckle was in our opinion, as shown by the correspondence in evidence, substantially a bribe to induce him to betray the interests of his employers, the Canadian Pacific Railway Company.

We do not understand that we were directed to enquire into the question whether there was any fraud in the sale to Sands; and we have made no investigation into that matter; and have for the purposes of this enquiry assumed that there was no such fraud.

But it appeared to us that, in view of the subsequent correspondence as to the expenditure of money at Ottawa, it was material to ascertain the disposition of the balance of the \$200,000; and we cannot but regard the statement of Mr. Rykert on this head as highly unsatisfactory. There was submitted to us on the 2nd May, 1890, while deliberating on our Report, a declaration of Mr. Rykert (which is to be found in Appendix No. 2, to the Evidence) to which declaration we were unable, in view of its character, of its date, and of the previous Examination of Mr. Rykert, on the subject, to give weight as affecting our conclusions.

The license was to expire in January, 1883, and difficulties arose as to its renewal. Of these, one was to a claim set up by the Canadian Pacific Railway Company that they had statutory rights in the alternate sections; and the other was, what the Deputy Minister of Interior called, "the graver question" of the Laidlaw claim.

The latter may be disposed of by the statement of Mr. Laidlaw, that though he applied for explanation, information and redress, he did not receive the same; and after having prepared and printed a petition to Parliament, which reached the Minister's hands, desisted from prosecuting it on receiving the assurance of a Member of Parliament, unnamed, that the license would not be renewed.

ground of complaint.

The Canadian Pacific Railway claim gave rise to an animated correspondence and an active struggle as to the renewal of the license; Sands asking that he should be protected; Adams recognising his right to protection; and Mr. Rykert acknowledging the importance of effecting some settlement and strenuously exerting himself to procure the renewal of the license.

In the course of this struggle a large part of the correspondence referred to us, together with further correspondence to be found in the appendix took place.

In the end the matter was arranged by the purchase of the fee simple of the alternate sections from the Canadian Pacific Railway Company by Sands.

In the course of the correspondence above referred to there are several passages which have formed the subject of enquiry.

For example, Mr. Rykert to Adams, 28th January, 1883: "I have to go to Ottawa to-night to fight the matter out, which I do not like. I mean to have all the hardest part of it to do. I have Bowell working for me. And if we succeed in beating the Railway, we will have to pay the amount we agreed to pay as you recollect when we two were at the Queen's Hotel..... I am engaging all I can to assist me at Ottawa and we will have to pay them well for it as we cannot afford to lose this."

Mr. Rykert to Adams, 12th February, 1883: "I have not yet succeeded in doing anything; but I am pulling wires in all directions. John A.'s son from Winnipeg, McArthur's partner, is here, and I intend employing him to go for his father. I think if you had young Tupper here, and paid him pretty well it would help us materially. The Canadian Pacific Railway has a great hold on the government and we must counteract this in some way.....If it costs all we spoke of, we had better do it than let it go."

Mr. Rykert to Adams, 5th March, 1883:—

"I have not yet succeeded in getting anything done in the limit matter. I have brought Macdonald and Tupper from Winnipeg and hope they will be able to induce their fathers to act promptly in the matter. Will make an effort this week, and must do something if we have to let a note apiece go."

Mr. Rykert to Adams, 8th March, 1883:—

"I find difficulties surrounding us in every way in reference to the limit, and I find that the C. P. R. have certain Ministers working for them. I am afraid it will cost us \$6,000 or \$7,000 to get this made all right. I have six or seven at work for me, and have agreed to pay them well if they succeed. Muckle was here and told me the limit is all within the belt. I want to be satisfied that you are sure I am doing what is right, and also that you will back me out in all that I do in the way of payment. Of course if you do not want me to fight the thing through let me know and I will drop it right away. Even if we lost the amount I have mentioned, we had better do so than lose all, as we surely will if we let the rascals have their own way. I think they have Muckle here for that very purpose."

Mr. Rykert to Adams, 28th March, 1883:—

"I am having a hard time with the limit matter. It will cost us each at least \$5,500 to get this through. I have laid my ropes so that I expect to have it settled in a few days. I have a dozen at work for us. You must be prepared to pay the amount of your share at any time, as it will have to be all cash.....I had Tupper and Macdonald brought from Winnipeg, and they have been working hard for me."

Mr. Rykert to Mercer Adams, 2nd July, 1883:—

".....Of course I will not use any money unless I succeed here; that you can rely on."

Mr. Rykert repeated his denial made in his place in the House that any of the expressions contained in any of his letters were intended to mean that he had made or contemplated making corrupt arrangements with any Minister, either directly, or through any relative of Ministers, or otherwise; and he endeavored to explain all the expressions by referring them in part to an understanding between him and Adams, that in case on the purchase from the Canadian Pacific Railway Company, the price should be in excess of what Sands was willing to pay, he and Adams should contribute the excess; and in part to contemplated payments to lawyers for legal fees; and in part to a contemplated payment to Muckle for continued services of the same corrupt character as those which we have before characterized as a bribe.

Mr. Rykert stated that he was unable to remember the names of the numerous persons whom he referred to as having engaged to work for him at Ottawa, save the said Muckle and one J. T. Kerby; he stated that he had not, in fact, made any payments to any one for any purpose whatever; and that he had not demanded or received from Adams any sum for any such purpose, or any sum whatever, save his own fees, amounting to \$3,300.

Mr. Adams is dead; and we had not before us any further evidence on this branch, save that of the Ministers who might be supposed to have been implicated, who repudiated all corrupt advances.

We find that in fact no corrupt advances were made by Mr. Rykert to any Minister, either directly, or through any relatives, or otherwise; and that his letters are in this particular untrue; and we find that the relations of Ministers mentioned were not offered, did not ask for, and did not receive any money in respect of this matter.

But we are unable to adopt Mr. Rykert's explanation of these letters.

So far as the arrangement with Muckle is concerned it was of a corrupt nature, being designed to induce him to betray the interest of his employers, the Canadian Pacific Railway Company.

If (apart from the case of Muckle) we accept Mr. Rykert's statement that there were in fact no corrupt or improper arrangements made with any of the unnamed parties of whom he speaks in his letter, and whose names he says he cannot recollect, we are yet of opinion that the letters clearly show either the existence in Mr. Rykert's mind, or a false representation from him to Adams, of plans, intentions and arrangements to make improper and corrupt payments to Ministers, their relatives, and others in connection with the struggle in which he was engaged; and that they are, whether true or false, or partly true and partly false, highly reprehensible.

We have now to deal only with one remaining phase of the matter:

On the 2nd day of May, 1883, Mr. Rykert, in his place in the House, was challenged on the subject of his connection with this limit, when he made a statement, of which the proceedings are as reported in the Official Debates, and read in the House and appearing in the Votes, at page 289:

"Mr. Charlton, the then and present Member for North Norfolk, did in his place ask: 'If Mr. Rykert did not negotiate the transaction in connection with the timber limits in the Cypress Hills, and if he did not, as agent for other parties, get a timber limit there at \$5 a square mile, and sell it at \$2,000 a square mile, and if he did not get such limit on behalf of one Adams, and if he did not go to Winnipeg in person and sell it to Louis Sands, of Michigan, for \$200,000, of which \$90,000 was paid in cash, one-third of which Mr. Rykert put in his pocket?' In reply to which questions Mr. Rykert made the following statement from his place in the House:—

"The hon. gentleman has asked me several questions, and I propose now to answer them. I neither directly nor indirectly drew the money he spoke of, nor put any sum in my pocket, except professional fees and professional fees only. I deny that I negotiated any timber lease for Mr. Adams, or any other person. On the contrary, Mr. Adams had his own agents to negotiate for him; he made his own bargain, and I had nothing to do with it, and did not pocket the money the hon. gentleman has spoken of. On the contrary, I advised Mr. Adams not to dispose of the limit, but to work it. The hon. gentleman on several occasions has made remarks outside of the House to the same effect, and I am glad now to have an opportunity to give it an emphatic denial.'"

Mr. Rykert when asked, gave to the Committee, as his only explanation of this statement, that he had "no other interest in the limit except what may be interpreted as the interest his wife had."

We cannot accept this explanation.

We have already expressed the opinion that Mr. Rykert was, and felt that he was, pecuniarily interested in the limit in respect of the half nominally in his wife's name.

The whole circumstances of the case show this; and the following extracts from the correspondence corroborate it:

Mr. Rykert to Adams, 8th April:

"..... We have twenty miles by twenty which is equal to 400 square miles.....  
"If I could only see McCarthy, we would have no difficulty at all."

Rykert to Adams, 10th April:

"You will see they give us 400 square miles to choose from..... They give us six months."

Rykert to Adams, 11th April:

"..... We are awfully lucky, as the Deputy told me that no other man could have forced them to yield."

Rykert to Adams, 24th April:

"You ought to get up a company if possible and sell half for say \$35,000, or the whole for \$70,000. *If this is done, I will go for something else.*"

Rykert to Adams, 10th May:

"You must tell the surveyor to examine the whole limit and *after picking out the best for us, let him pick out another so that I can put in another application if there is enough timber.*"

Rykert to Adams, 24th July:

"If as good as you say the C.P.R. can give us at least \$60,000 and expenses..... It is important to realise the cash, when we can look out for more."

Rykert to Adams, 1st August:

"I am still of the opinion that you had better sell out bodily and get the cash, if they will pay you \$75,000 or \$80,000. *We would then be in a position to go in for something larger if possible.*"

Mr. Rykert to Adams, 19th August:

"Would it not be well to make an effort to get up a Company putting in the land at \$150,000? *We might take stock to the amount of one-third..... I want Mrs. Rykert's half to bring her in \$50,000 if possible.*"

Rykert to Adams, 6th October:

"I hope you will soon be able to organise a Company at the figures we mentioned, namely \$250,000.

"If, however, you can get \$200,000 in cash, *I would be inclined to let it go and then go in for something still better. We deserve something for the trouble we have gone to, and the amount of flesh we have lost thinking over it.*"

Rykert to Adams, 28th October:

"It is clearly understood that Hunter was to have all over \$175,000. If he is not satisfied *we cannot help that; a bargain is a bargain; I cannot do any business as I am so much annoyed about this and so anxious.*"

Rykert to Adams, 12th December:

"I have been very much put out by the additional time given to the parties to purchase and am fearful the delay will very much prejudice us in the event of their failing to carry out the agreement. I can get up a Company which will run the whole affair, advance all the money we want for the.....and take one-third of the profits. This is as good as we could expect.....I can get good men on whom we can rely.....*I have lost all my fall courts through this. I had two Courts this week and being afraid that I might be required any day, I let all the business go, which will hurt my Office very much. This will not be of much account however, if we can close up the matter. Do not let them beat you down any. If any person has to come down Hunter must and not us. The securities ought to be so that they can be easily handled and not all in one lump, as we will have to give Hunter his.*"

Rykert to Adams, 12th December :

“What is the reason that some person writes *the full particulars of our business* to some parties here?.....It is of the utmost importance to keep the sale out of the papers or we may be injured at Ottawa. Already they are threatening the Government to bring the matter before the House, and if they do it will, perhaps, hurt us very much.”

Rykert to Adams, 28th January, 1883 :

“If we succeed in beating the Railway, we will have to pay the amount we agreed to pay.”

Rykert to Adams, 12th February :

“If it costs all we spoke of, we had better do it than lose all.”

Rykert to Adams, 5th March :

“We must do something if we have to let a note apiece go.”

Rykert to Adams, 8th March :

“I am afraid it will cost us \$6,000 or \$7,000 to get this matter made all right..... Even if we lost the amount I have mentioned, we had better do so than lose all, as we surely will if we let the rascals have their own way.”.....

We are, therefore, of the opinion that the statement made by Mr. Rykert in his place in the House was untrue, and was designed to mislead the House.

Summing up our view of the whole affair we are of opinion that having regard to Mr. Rykert's conduct and representations in respect to the matters on which we have above reported, Mr. Rykert's course has been discreditable, corrupt and scandalous.







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