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Canada. Parl. H of C. Select
Standing Comm.on Public
Accounts, 1891.

Report and minutes of
evidence in connection with
the Gov't. Printing Bureau.
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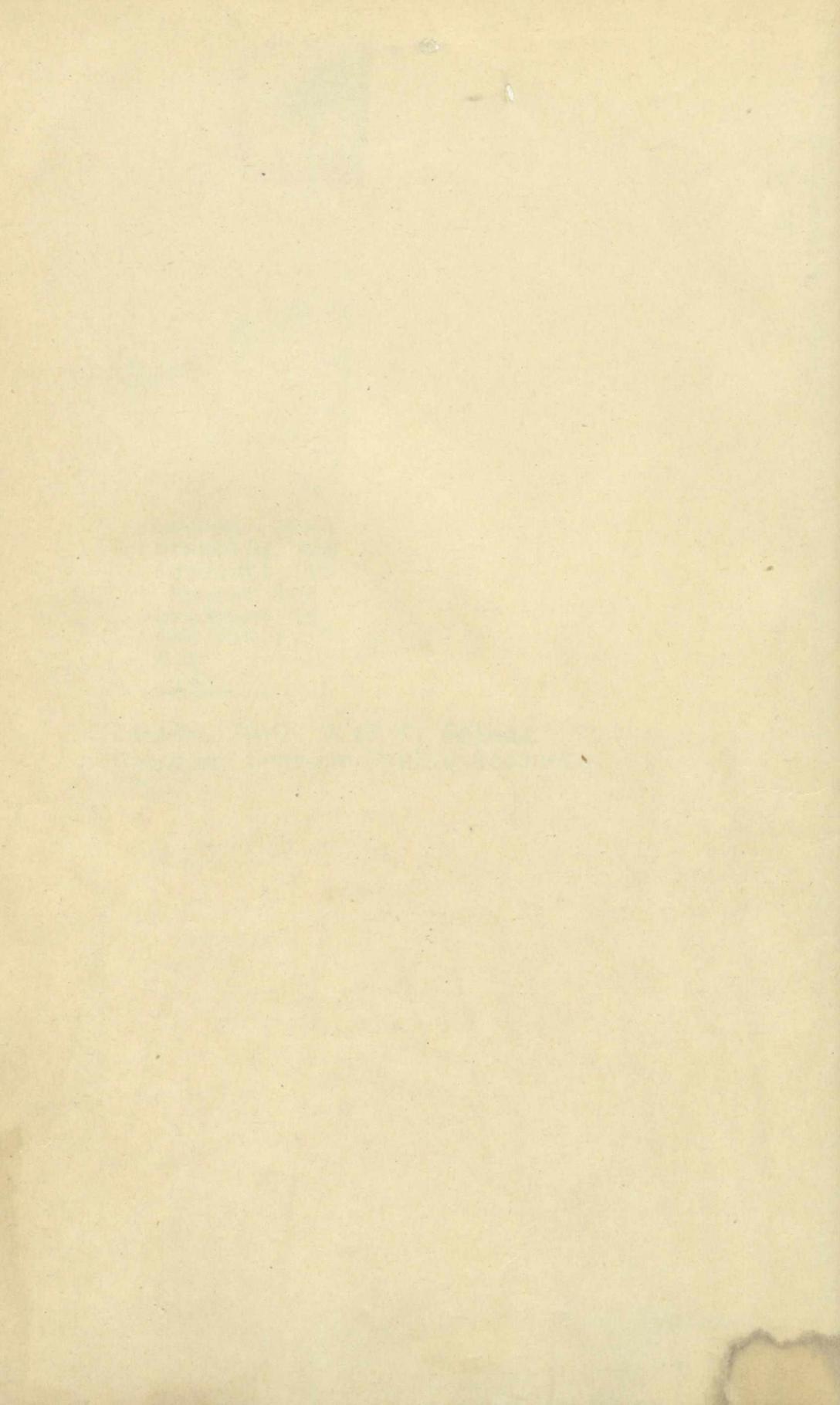
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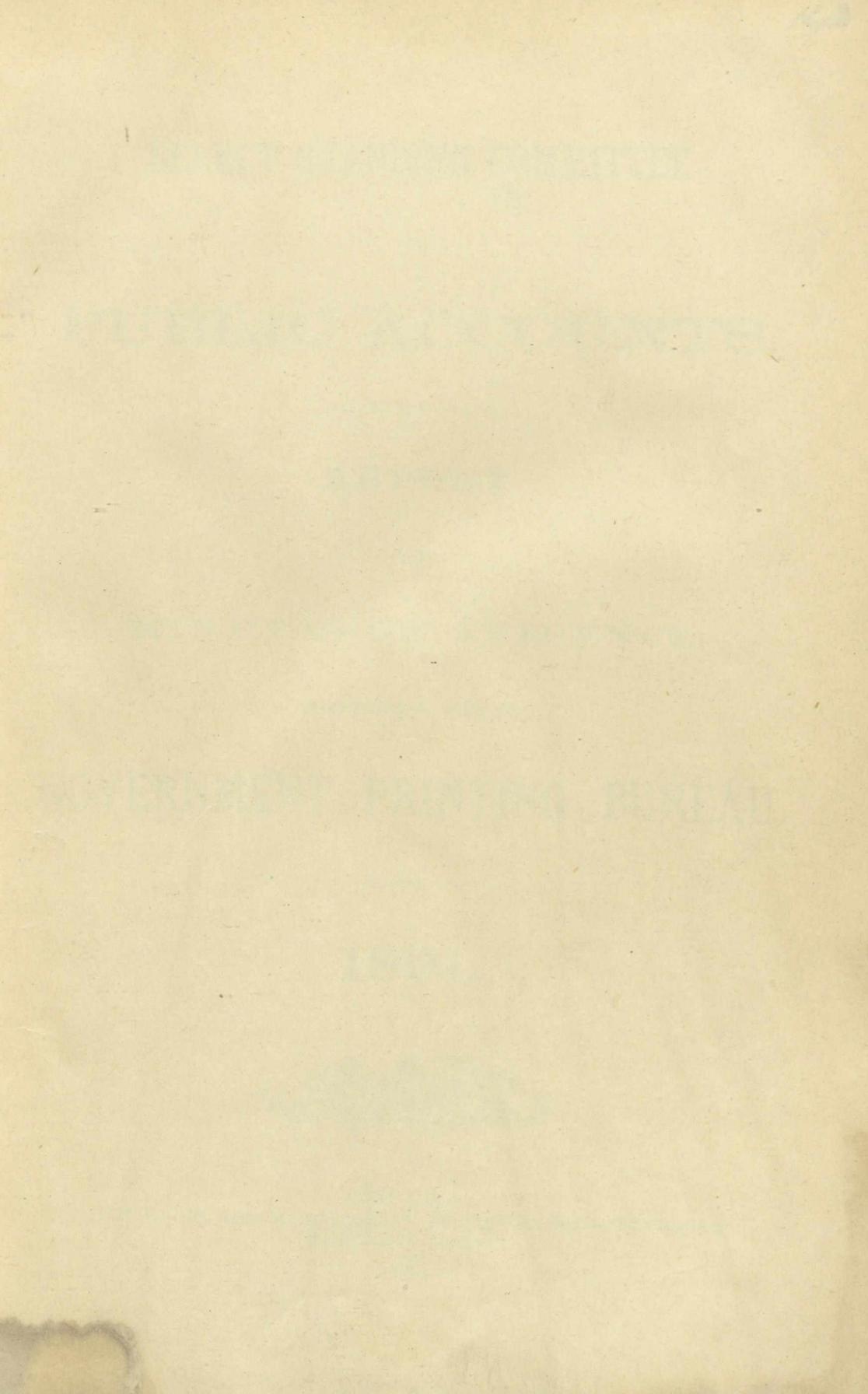
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SELECT STANDING COMMITTEE
ON
PUBLIC ACCOUNTS.

REPORT
AND
MINUTES OF EVIDENCE
IN CONNECTION WITH THE
GOVERNMENT PRINTING BUREAU.

1891.



OTTAWA:
PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST
EXCELLENT MAJESTY.

1891.

SELECT STANDING COMMITTEE

PUBLIC ACCOUNTS

REPORT

ON THE STATE OF THE

GOVERNMENT PRINTING BUREAU

1891



OFFICE OF THE GOVERNMENT PRINTING BUREAU
WASHINGTON, D. C.

REPORT.

The Select Standing Committee on Public Accounts beg leave to present the following as their

THIRTY-FOURTH REPORT:

Your Committee have had under consideration the accounts and vouchers for expenditure for the equipment and supplies furnished the Government Printing Bureau and Stationery Office at Ottawa; and in connection therewith have examined witnesses under oath, and for the information of the House, report herewith the evidence given by such witnesses.

All which is respectfully submitted.

N. CLARKE WALLACE,
Chairman.

COMMITTEE ROOM,
TUESDAY, 29th September, 1891.

REPORT

The following report was prepared for the Board of Directors of the Company on the 31st day of December, 1900.

STATEMENT OF ASSETS AND LIABILITIES

The assets of the Company at the close of the year were as follows: Cash, \$100,000; Accounts receivable, \$50,000; Inventory, \$20,000; Property, \$30,000; Total, \$200,000. The liabilities of the Company at the close of the year were as follows: Accounts payable, \$50,000; Notes payable, \$10,000; Total, \$60,000. The net assets of the Company at the close of the year were \$140,000.

W. J. [Name]

W. J. [Name]

MINUTES OF EVIDENCE.

COMMITTEE ROOM, TUESDAY, 11th August, 1891.

Committee met—Mr. WALLACE in the Chair.

BROWN CHAMBERLIN called, sworn and examined:—

By Mr. Lister :

1. What position do you occupy in the public service?—Queen's Printer and Controller of Stationery.

2. What are your particular duties as regards stationery to be furnished to the Printing Bureau?—I have a general supervision of that Branch of the Department, but put the greater part of it in the hands of the Chief of the Branch—that is, the Superintendent of Stationery. I have only a general supervision to see that the thing is properly conducted. The work is practically done by the Superintendent of Stationery.

3. Who is the Superintendent of Stationery?—Mr. Bronskill.

4. Then all purchases of paper for the Printing Bureau are made by him?—They are made by him. The law provides in three cases that it shall be by tender: Departmental printing, Parliamentary printing and the *Canada Gazette*.

5. What paper used at the Printing Bureau is not required to be tendered for?—All the rest.

6. What about the Statutes?—I believe that was an omission from the list. In the old time the Statute paper was absolutely required to be tendered for; but we are not obliged to do so now, as the law stands.

7. Can you form any opinion as to the proportion of paper furnished to the Bureau that need not be tendered for?—With regard to printing paper, I should hardly like to give an estimate. Mr. Bronskill could give you a better opinion, as the accounts are passing through his hands. He could give you a better opinion than I. With me it would be a guess.

8. Would it be a half or three-quarters that need not be tendered for?—I think that it would be hardly a half; but that is a guess. The quantities required for Parliamentary printing are very heavy.

9. Then, so far as you are concerned, although, as you have told us, you exercised a general supervision, you had nothing to do with the issuing of the tenders published or the notices?—If you will permit me, I will make a statement with regard to that. With regard to the other papers I have comparatively little to say; but whenever tenders are issued they are issued from my office and in my name, with my name appended as Controller of Stationery and subject to the decision of the Secretary of State.

10. So far as the paper not required to be tendered for is concerned, how do you arrange as to the purchase of that?—Sometimes the Minister gives an order and sometimes I give instructions. Sometimes for smaller quantities Mr. Bronskill gives the order himself; but as regards the larger ones, sometimes I give the orders and sometimes the Minister.

11. That would be Mr. Chappleau, who is the Head of the Department?—Yes.

12. Now, what course do you take in regard to the smaller ones?—Will you permit me to correct what I have said? I said sometimes I gave the order I should say I give instructions to Mr. Bronskill. I do not know I have ever given instructions directly myself to the maker of paper, or the Secretary of State either, so that when I say I gave the order I mean that I gave instructions to Mr. Bronskill, and he made the order.

13. Is the Secretary of State informed as to what should be bought and what should not?—Well, if Mr. Bronskill wants paper for a certain purpose he informs me or the Secretary of State, so that any paper that is ordered is signed for by me or the Secretary of State.

14. In every case?—Well, as I have said, I believe there are small orders that Mr. Bronskill obtains himself.

15. Confining yourself to the larger orders, he has to submit them to you or the Secretary of State. He would not order a large quantity, except the order is so submitted?—As a rule, no.

16. Is it necessary to submit it to the Secretary of State? Is there any rule in the Department making it necessary that a proposed purchase should be submitted to the Secretary of State before being completed?—I do not know about rules, but it is a well-understood practice that there shall be no such purchases before they have been submitted to the Secretary of State or myself.

17. So that in all cases Mr. Bronskill reports to you?—Yes; in all, except the smaller quantities.

18. What I want to know is, whether before making the purchase you give him instructions to purchase, or whether it is after he has purchased that he makes the report to you?—Well, it depends a good deal upon the size and importance of the purchase. Whenever Mr. Bronskill needs to make a large purchase he comes and asks authority from the Minister or myself; generally he goes and consults him, and then he makes a purchase himself.

19. Is there any written evidence to show that he has the authority to make the purchase, either given by the Secretary of State or you?—Not in all cases.

20. Is there in any cases?—I am not quite sure.

21. Then it is a mere verbal communication?—Yes.

22. Of which no record is kept at all in the Department?—As a rule, I think there are none, for an ordinary transaction.

23. What would you call an ordinary transaction?—Well, if a lot of paper were wanted to complete. Supposing we had a contract with a person at a certain value, and an additional quantity was wanted, Mr. Bronskill would not of necessity come to us and say we want more of that paper; he would buy it himself on his own authority, taking the same value and quality of paper.

24. As regards value, what would you consider a sufficient quantity to authorize or warrant Mr. Bronskill purchasing without consulting you?—Oh, I should say from \$500 to \$1,000.

25. Up to \$500 or \$1,000 you think would be justified?—I think so.

26. You think you would be justified in allowing him to buy up to that amount?—Yes.

27. Would that be in the case of purchasing from a person who had no contract with the Department, or would it be to fill up a contract already entered into?—These cases would be generally to fill up contracts already entered into. I don't remember any cases in which he has taken printing paper to that amount without consulting myself or the Minister.

28. Of course, we are not discussing the question of right, or anything of that kind?—No.

29. Can you say whether Mr. Chapleau has ever given instructions direct to Mr. Bronskill to purchase paper?—I cannot say that; I was never present when he gave any orders, except in summing up tenders.

30. Do you know instances where paper has been purchased and you were not consulted by Mr. Bronskill, and where this paper amounted in value to a sum exceeding \$500?—There is one case, which I suppose you are alluding to now, in which I was consulted only incidentally. The purchase was practically made by Mr. Bronskill, under the authority of the Secretary of State.

31. You were consulted incidentally?—Yes.

32. Will you state to the Committee what purchase that was?—That was a purchase from the New England Paper Manufacturing Company.

33. That was a purchase made by Mr. Bronskill under the authority of Mr. Chapleau?—I believe so; at all events, I so understood it. It was a thing that was talked over with me pending negotiations, that I had no direct connection with.

34. It was talked over with you pending negotiations. Who talked it over with you?—Mr. Bronskill.

35. Was it a large or small order?—I really don't remember now, but I think it was something over 250 reams.

36. What was the necessity of talking it over and what did he say about it?—As far as I can remember, the circumstances were something like this: I should say in the first place that the New England Company had been tendering repeatedly, and their tenders had been rejected for one reason or other, either as regards price or quality, and Mr. Bronskill said, I think we will give them a chance, and see if they can come up to the standard with their work. That was, I think, all that took place.

By Mr. Chapleau :

37. For what purpose—for what particular work was that required?—My own impression is that it was for the Postal Guide.

By Mr. Lister :

38. The order, as I understand it, had been given by Mr. Chapleau to Mr. Bronskill?—I do not know that. I suppose that Mr. Bronskill was acting with Mr. Chapleau's instructions, but the orders were not given in my presence or through me.

39. You say that that Company had been tendering on different occasions?—

Yes.

40. And their tenders were rejected?—Yes.

41. Did they tender for this paper?—No; there was no tender required.

42. Who had they seen about it?—I do not know.

43. How had it come before Mr. Bronskill?—I have told you all I know about it; I really don't know anything more.

44. At all events, you never gave instructions to purchase the paper?—No.

45. And whatever instructions were given to Mr. Bronskill were given directly by the Secretary of State?—Yes.

46. Look at this account, Mr. Chamberlin, and say whether that is an account for paper furnished by the New England Paper Company?—I believe it to be.

47. This account is as follows:—

“November 26th, 1889.

“The Department of Public Works,

“Stationery and Printing Department, Ottawa.

“Bought of the New England Paper Co., paper to the amount of \$1,074.15; 252 reams”? (Account filed as Exhibit No. 1.)—It was about 250 reams.

48. What are these pencil memoranda on the invoice, and say in whose handwriting they are, if you know?—They are in Mr. Bronskill's handwriting, I think—Yes.

49. Read them?—“Got for Postal Guide, but not good enough. Taken into stock by Mr. C.'s order. Account to lay over.”

50. Who is the “Mr. C.” there referred to?—I would not like to say. It may have been myself.

51. Was it taken into stock by your order?—It may; quite possibly.

52. Was it taken into stock by your order?—It is quite possible when we got that paper and found we could not use it for the purpose required, that I said: “Can you use it for something else?”

53. But you have no recollection that you did?—I have no distinct recollection.

54. This is an account from McFarlane, Austin & Robertson “Checked by J. Hughes.” (Account filed as Exhibit No. 2). All the accounts are marked in that way: “Check, J. Hughes.” What does that mean?—Mr. Hughes received the goods

in the Department, and that is merely his check note made on delivery that the goods had been delivered.

55. On whose certificate are the goods paid for?—On Mr. Bronskill's.

56. Where does Mr. Bronskill get his authority from? Does he accept Mr. Hughes' authority that the goods were duly checked?—That I do not know; you had better ask him.

57. Here is an account of the New England Paper Company, dated December 26th, 1889. That seems to be another account. You will see that it is dated just a month after the first one, and it is for the same amount, \$1,074.15, with a memorandum on it, "Please remit." Will you state whether there is any memorandum on that?—There is a memorandum by the Secretary of State: "Approved, J. A. Chapleau," and the date is December 27th, 1889. (Exhibit No. 1, already filed.)

58. Can you tell me, Mr. Chamberlin, if there can be found amongst all the accounts for printing paper in 1889-90 one other account that has been approved of, or certified to, by the Secretary of State?—I cannot tell you. These accounts are left in the hands of Mr. Bronskill up to a certain time, and then they pass to the Auditor General. I see them casually, but they immediately pass out of my hands, and I know nothing further about them.

59. Can you recollect another case, if there be such, where the Secretary of State approved of or certified to an account for paper?—I cannot remember at the present moment. I give orders for the purchase of paper, but as the accounts are only casually seen by me, and immediately turned over to Mr. Bronskill, I cannot really say.

60. But the regular course seems to be, when the paper is delivered it is checked by Mr. Hughes, to show that the proper quantity has been received by the Department?—Yes; and then Mr. Bronskill certifies to the account, the account goes to the Accountant and the cheque is issued, which I sign.

61. Mr. Bronskill then certifies to the account, and upon his certificate a cheque is issued, signed by yourself and—?—And the Accountant. It goes to the Accountant and he checks it, and if it is all right a cheque is issued, which is signed by me and the Accountant.

62. I again ask you if the manner in which the accounts produced here, and marked as Exhibit No. 1, have been approved, is according to or out of the usual custom of the Department?—It is very hard for me to say. I see there is the usual backing attached to the account on which Mr. Bronskill makes his certificate.

63. But that is not upon the certificate of Mr. Hughes that he has checked the goods?—Is Mr. Hughes' certificate not there?

64. No.—That is a mistake, then.

65. How was it that that second account came to be sent in. I see that one is dated 26th November, and the other 26th December?—I am in the same position as I was. I cannot say. It seems to me, however, to be perfectly easy of solution in this way: When the paper was found not to be up to the standard for the particular work for which it was required the question arose whether it should go into stock for ordinary purposes or not. That involved a delay in the payment of the account. I cannot swear positively, but I should think that was it. Accordingly, the second account was sent in.

66. Will you undertake to say that that paper ever came into stock?—I never saw it in stock, but I think I have seen some of the results of it in pamphlets.

67. Did you actually see the paper?—I never saw the paper itself, that I can remember. I believe I have seen it in pamphlets. Mr. Bronskill will be able to tell you how it was used.

Mr. FOSTER.—This is just the one account for the one lot of paper.

Mr. LISTER.—Yes; the one account.

WITNESS.—It was in suspense until the second account was sent in.

68. The paper not required for the three purposes you have mentioned is not purchased by a tender?—No; but without being required by law, I think we have, as a rule, asked tenders for such paper.

69. You think you have advertised for tenders for paper required for the Statute-books as well as for the three classes?—We are not compelled to advertise.

70. Well, then, how do you ask for tenders?—In this way: We know that there are only five firms in Canada that make book paper. The others make job and other paper, but there are only five firms really engaged in making book paper in Canada. When we want paper of this class we send a circular to each of these firms, asking them to name their price if they can furnish it.

71. You send a circular to each of them?—Yes.

72. Do you do that in cases where you are not obliged to ask for tenders?—We may have done it sometimes.

73. Ah! It is not that you may have done it sometimes—is it your practice?—No, sir.

74. Then I suppose the papers which you are not required to ask tenders for you buy from whom you think proper?—Yes.

75. Without tender?—Yes.

76. In cases where you asked for tenders, did you accept the lowest price?—Not necessarily.

77. Other things being equal?—We did not necessarily do it. If the Committee will pardon me, I would like to say: I have been twenty-one years in the Department, and during fifteen years or more I made it an almost absolute rule and practice to take the lowest tender; but taking the lowest tender in printing and paper both led us into the production of work that we were almost ashamed to send abroad. The lowest tender generally means the lowest grade of work or paper that can be furnished. Both Mr. Hartney, who supervised Parliamentary printing, and I, who supervised Departmental work, thought we must take the lowest tender, and in one or two cases the law provided we should do that. When starting this new establishment, however, the law did not compel us to take the lowest tender in any case, and we set to work to produce good work and secure good paper. If it cost a little more than the lowest price we made a point of securing uniformity of colour and the proper quality. The other reason why we limited our purchase was, that modern practice in all book papers is to print dry. You require for that a superior calendered paper. Only a limited number of mills can furnish that, and therefore we have limited our purchases to those five firms.

78. Can you give me an account of the amount of paper furnished to the Department for which you did not ask tenders, and the names of the persons or companies who supplied the paper?—I cannot at this time.

79. But you can make that up?—Yes; in time.

80. Now, I see you awarded the Canada Paper Company a contract at \$2.75 per ream on a tender for 650 reams. They tendered at a lower figure, namely, \$2.70 per ream.—The Canada Paper Company?

81. Yes. The Canada Paper Company, \$2.70; and there were other tenders—Barber Bros., \$2.65; Buntin & Son, \$2.71, and Rolland & Son, \$2.70. There were three tenders, and also this Canada Paper Company?—We were asking for several descriptions of paper.

82. These were tenders in answer to the same advertisement?—We generally ask for tenders at one time for three kinds of paper. It is quite possible you will find it was in that way. Having put in tenders for one kind of paper, they can put in tenders for another. Mr. Bronskill will be able to explain that.

83. Rolland & Son tendered for 350 reams, and their tender was 7 $\frac{1}{8}$, and 6 $\frac{3}{4}$ per pound. You accepted their tender at 7 $\frac{1}{4}$?—There is some mistake about those figures.

84. There is no mistake about it?—Would you mind calling Mr. Bronskill about that. He has a statement, and he will be able to explain these details. They are not in my head, and I cannot answer them just now.

85. The Canada Paper Company tendered for two kinds, at 6 $\frac{7}{8}$, and another at 7 $\frac{1}{2}$?—They had put in two tenders for differently finished paper.

86. But their highest tender was 7 $\frac{3}{8}$, and they got the contract at 7 $\frac{1}{4}$?—I merely throw this out as a possible explanation. I do not know it.

87. As I understand you, where the law does not require you to ask for tenders, then you buy your papers, and you buy from whom you think proper?—As a rule.

88. Either upon the order of the Secretary of State or your own order?—Yes.

89. Would you undertake to give a large order without the authority of the Secretary of State?—Not a very large one.

90. How high do you think you would feel justified in going?—\$500, or a little over, as I said before.

91. You said Mr. Bronskill before?—Generally, I would not go above that; certainly, not above \$1,000. I do not think I have ever done it over \$500.

92. Can you say you have ever given an order for paper where the amount involved was over \$500, without getting the authority of the Secretary of State?—I do not remember a case.

93. Do you think you would do it?—As a rule, I would not. I do not like to take that responsibility.

94. You would be safe in saying that for all orders of \$500 upwards the Secretary of State authorized the purchase?—I would not say that. That is going a great deal further than I would venture to go.

95. I do not want you to go any further than you want to?—I have said that as a rule I would not like to go above that; but the Secretary of State might be out of town or otherwise engaged.

96. Taken generally?—I should consider it my duty to run an order up to \$1,000.

97. Here is one order of \$16,000—not one order, but an aggregation: \$2,000, \$3,000, \$4,000, \$4,000, and so on. Would you undertake to give a contract to any company for that amount of paper without the authority of the Secretary of State?—Not for \$16,000.

98. But for \$16,000 altogether?—I would not have given a running order like that.

99. Then the Canada Paper Company seems to have been favoured to the extent of \$9,741 again, and you say, speaking from recollection, that you gave none of these orders without the authority of the Secretary of State—none of the orders in this bill of \$16,000?—I cannot carry that in my mind.

By Mr. Chapleau:

100. Mr. Lister has given you two papers showing there was one order on the 26th November and another on the 26th December. Are these not the same account?—They are the same account.

101. You see that there are deductions made on that account sent by the New England Paper Company?—I think you had better take the best evidence—the evidence of Mr. Bronskill. I think there were some charges for packing.

102. Speak by the account?—There was the firm's charge here, which is struck out, for packing forms.

By Mr. Cochrane:

103. You did not pay as much as the account rendered?—I declined to pay for packing the forms.

By Mr. Hyman:

104. It is not usual to pay for those?—We have resisted those charges of late, and they have been thrown off.

105. It was not usual at this time?—No; not at this time.

By Mr. Chapleau:

106. Do you find that there was greater irregularity, or something to mislead anybody, if the Minister should have certified to the account?—No, sir.

107. Do you think if he was certifying to more accounts it would be worse?—I think it would be quite impracticable for him to certify to every account that came up.

108. But it does not take away from the value or correctness of that account?—
No.

109. You have spoken of Mr. Hughes. He is not the clerk to check the quality of the paper?—He takes the invoices, and says here are so many bundles of paper. That is all his check means. Mr. Bronskill checks the quality of the paper.

110. Is it a fact or not that in the choice of paper there is generally a consultation between yourself, the special officer of the Department and the Minister?—Yes.

111. As far as I am present at the Capital?—Yes.

112. How is the paper chosen generally? What are the considerations which are taken for the choice of tenders for the supply of paper?—We want to get the best value for our money. We want to get a paper which will suit the purposes of the Government, and, as a rule, other things being equal, we have taken the lowest tender; but we have endeavoured, ever since the new Bureau was established, to get good paper and have good printing done, and we are willing to pay a small advance in order to secure it.

113. Is one of the ingredients in making that choice uniformity and a good supply delivered by a former contractor?—that is to say, where a supply has been uniformly good, is that not one of the most important ingredients in choosing paper for public documents?—We should give preference to a person who has given us satisfaction at all times.

114. Is it not a fact that contracts have been given when very good samples were sent with the tenders, and afterwards, when the books were seen by the public, they gave great disappointment, both to the Department and to the public?—There have been papers brought into the Department and used which ought not to have been used.

115. Is it very difficult in our Department at any time to refuse—that is to say, a carload of paper that would have been sent—even if it were rather inferior to the sample?—Sometimes it is quite impracticable. We cannot afford to wait and issue another order. We must go on with the work. Although sometimes deductions are made, we must accept the inferior paper in order to get the work pushed off.

116. Is it not a fact that a rule has been established since 1885 or 1886 to avoid what has occurred in that respect?—We have endeavoured to secure good paper and to turn out good work, and have not felt ourselves compelled in every case to pay the lowest price.

117. Has there been an improvement in that respect since the last few years, or has it been going on the same as before?—I think any person who sees our Blue Books or Statutes of to-day, as well as any printer, would not hesitate to say we have made most decided improvements.

118. You stated that that paper from the New England Paper Company was for the Postal Guide?—Yes.

119. Was it employed for that?—It was not up to the mark for that. They are very particular, as the Postmaster General knows, in having that work turned out well. It was held, under the circumstances, to be returned or turned into stock. It was finally turned into stock.

120. Was it used for general purposes at an advantage or at prices that would be a fraud upon the Government?—It was a fair market value, I believe. You could not call it a fraud upon the Government, although I do not call it cheap paper at the price.

121. It was a fair price, and if you had made a small purchase, as at times are required for the general purposes, would it have been cheaper?—I think not. Mr. Bronskill will be able to tell you better than I. If we had bought job lots in the open market we might have had to pay more.

122. Do you know what was paid for the Postal Guide paper up to that time?—I do not know.

123. Do you know that it was bought in Boston in the time of Mr. Young?—I do not know positively. At that time Mr. Young, who was an independent officer, managed the thing, and I believe it was bought in Boston.

By Mr. Lister :

124. In this first account, a charge for packages, I see, is for \$16.80—it was book paper?—Yes.

125. That was disallowed?—Yes.

126. The account does not seem to have been returned to the shippers—that is, the account in the possession of the Department. It was not returned?—I dare say not. I have no doubt that there was correspondence between Mr. Bronskill and them.

127. Will you find the correspondence?—I do not know. Mr. Bronskill will probably find it. He, I have no doubt, sent the letters.

128. You made a deduction from their account, amounting to \$1,054.16, of \$16.80, which Mr. Chapleau had not approved of?—Yes.

128½. Do you remember showing them to the company in the establishment at all?—My office is not in the establishment; it is in the eastern building here.

129. You never saw this invoice at all?—I don't remember. I might have done so.

130. Now, I ask you again whether it is not a fact that, in all the Departments where supplies are purchased, there is a man whose duty it is to certify to the quality and the quantity?—I really don't know.

131. In your Department?—In regard to that, Mr. Bronskill certified to the quality and Mr. Hughes to the quantity.

By Mr. Somerville :

132. How many qualities of paper do you say that the Department print—that is, in books, parliamentary papers, and so on?—We have been using a pretty high grade. There is not much difference, except for Senate *Hansard*, for immigration pamphlets and work of that kind, where we employ a considerably lower grade of paper.

133. But for the parliamentary Blue Books and the proceedings of the House, the quality of the paper is the same?—Yes.

134. Who decides, when the tenders are asked for and sent in, as to the quality of the paper?—The tenders are opened in the presence of the Secretary of State, Mr. Bronskill and myself. The Secretary of State is sometimes very harsh in his judgment—having taken great pains to make himself a good judge, he is difficult to please. A grade of paper is looked at, and the price given in the accounts, and after a minute examination the paper samples are handed over to Mr. Bronskill, who makes a test of strength and other things and reports.

135. Is Mr. Bronskill's report always accepted?—Well, not always; it is, almost invariably. After further discussion we come to some conclusion, as a rule.

136. Who discusses the matter with Mr. Bronskill as an expert?—Sometimes the Minister discusses it with Mr. Bronskill, and sometimes I do.

137. You say there are only four or five important establishments with which you have dealings—who are they?—Messrs. J. B. Rolland & Company; the Toronto Paper Company; the Canada Paper Company; Buntin & Co., and Barber & Co.

138. Are you aware that the orders for the paper required by the Government for the Printing Bureau are pretty well divided amongst those five firms?—I do not say that they are evenly divided; in this way: wherever we get a good paper at a lower rate than others tender for we would go there. There is Mr. Buntin, a very good paper-maker, from whom we get hardly anything at all. The Toronto Paper Company produce paper of excellent quality, but at a very high price. Mr. Buntin and several others have not had large orders for papers required for departmental printing, but had some large orders for papers used for pamphlets in the past. My impression is that Mr. Buntin charges very high rates, and that accounts for his being unsuccessful. Mr. Buntin got large orders for pamphlet printing in years gone by, but I think when we got low rates from him it was for low paper.

139. I do not think that the system the Government have for dealing with the tenders is the correct one. You say we have only five paper makers. What is to

hinder these manufacturers making a combination and tendering together, with the understanding that the amount to be paid by the Government is to be equalized by them amongst each other?—That is a matter beyond my province.

140. Is not that possible?

Mr. DALY objected.

A. It is not for me to state.

141. I am only asking you if it is possible?—Well, I dare say it is quite possible that a combine might take place.

142. You know, as you have already stated, that there is only one particular quality required for all the departmental books, and you know that the Blue Books are printed on the same quality?—Much about the same, but not exactly.

143. But they could use the same exactly?—Yes.

144. And there is no reason why you should not use the same quality?—Unless we could make a better bargain, by using different qualities.

145. You have had a great deal of experience in managing the paper and printing for the Government for the last twenty-one years. I want you to give us your opinion whether it would not be in the interests of the country that tenders should be asked from all these mills for all the paper required for the departmental Blue Books at once, extending for two or three years, so that one of the five paper-makers who might combine would have to take up the whole contract. Would not that insure the same quality all through, and get the goods at a cheaper rate?—That is a question that has never occurred to me. I am very much opposed to extended contracts; we had a very bitter experience of them in my earlier days when I was first there. I would not like to recur to them. I believe in short contracts for two reasons: I believe long contracts make careless contractors, oftentimes; and they may sometimes make careless Queen's Printers also. The prices of material are constantly changing, having been falling for several years past; the prices of paper constantly varying accordingly. Now, if we make a long contract we should lose the benefit to be gained from this.

By Mr. Daly :

146. Is there any difference now in the manner or mode that tenders are called for as compared with that existing in 1874 or 1878?—Oh, yes. Since the establishment of the Bureau, and the passing of the Act that established it, we have made a decided change.

147. What is the change?—We found that the advertising for tenders brought us a great many useless tenderers. Persons who made No. 3 or No. 4 would tender for the best paper, and if they got the contract they would send us material that would do for a backwoods' newspaper, but entirely unsuitable for Government work. I found out that these five firms were the only ones that tendered for paper that was useful to us.

148. How long since did you found this out?—I found this out before the Bureau was started, and I acted upon my experience that I had gained then.

149. Where is the New England Manufacturing Paper Company located?—Down near Quebec.

By Mr. Lister :

150. Where is their place of business?—It is at Portneuf, in Quebec.

151. Is it a Canadian company?—Yes; a Canadian company.

By Mr. Cochrane :

152. Is the manufacturing establishment in Canada or New England?—It is in Canada, at Portneuf.

HENRY J. BRONSKILL called, sworn and examined:—

By Mr. Lister :

153. What position do you hold in the Service?—Superintendent of Stationery.

154. How long have you held the position?—Since the 1st of July, 1888.

155. And what are your particular duties?—I am Superintendent of all the stationery, to buy it, examine it, and see that value is received—these are my duties.

156. You examine it to see that it is up to the standard purchased?—Yes.

By Mr. Chapleau :

157. And then you supply it to the Departments?—Certainly.

By Mr. Lister :

158. You buy for the Printing Bureau?—We buy all the papers required by the Government.

159. Who gives the order for the paper?—Do you mean papers under contract, or do you mean miscellaneous papers?

160. I mean the papers required for printing the reports, and for printing in the Bureau. I have only reference to papers used for printing?—There is a portion of that paper, I understand, that is contracted for.

161. You have heard Mr. Chamberlin's evidence. Do you confirm or agree with what he says?—To a great extent I confirm what he says.

162. The paper you contract for is paper used for the Statutes?—The paper we contract for is what is known departmentally as paper for printing parliamentary reports, the *Canada Gazette*, and tenders are also taken for what is used for Statutes.

163. What proportion of the paper supplied to the Government is not tendered for?—A large proportion, which is used for miscellaneous purposes; a large proportion is used for the purposes of the printer, and it is our business to supply the other departments according to the samples that we get, the result is that we have to buy frequently.

164. Do I understand that requisition is made by the Superintendent of the Printing Department?—Yes.

165. Mr. Senécal?—Yes.

166. For all the papers that go through his hands?—Yes.

167. All paper in the Printing Bureau?—Yes.

168. The custom is that the requisition from Mr. Senécal goes to you, and then you enter into a contract or purchase the paper, according to circumstances?—Yes; we might have the paper in stock, or it might be purchased.

169. Whatever was necessary to be purchased, you would say whether it was to be tendered for or not?—Yes.

170. You tell us that a large proportion of the paper used is purchased without tender?—Yes; you must remember that we use printing papers for colour prints and covers as well, and although the covers are not used for printing purposes, yet it is all the same called print paper, and when I buy for Colonel Chamberlin it is not the actual quantity of printing paper used—it is not the same way as with paper for Statutes and departmental reports.

171. Can you give the Committee any idea of what proportion of paper used in the Printing Bureau is contracted for, and what proportion is bought without tender?—So far as the contract is concerned, it differs in different years. Last year's tender may not be the same amount as this year. We endeavour to arrive at the total quantity likely to be required. Some years 4,000 reams may be required for parliamentary and departmental purposes; other times it is more. For the Statutes we endeavour to form some opinion—perhaps it is 300 or 350 reams. For the *Canada Gazette* we do the same thing, and if there is likely to be a larger quantity required then we purchase a larger quantity by tender.

172. Do you not buy a large quantity by tender?—Yes; it happens so.

173. What is the proportion—would it be half?—It would be getting on that way, one way with another.

174. Would you say about half the paper used in the Printing Bureau is purchased without tender, and the other half by tender—speaking roughly?—Yes; speaking roughly. I do not commit myself to that, however, without the actual figures.

175. Then, for paper that you buy without tender, what steps do you take in purchasing it? How do you bring yourself in contact with the manufacturers?—A good deal depends upon circumstances. For instance, our stock may be low, and we may have people call upon us—the representatives of different houses, which is often the case. If the stock is low, or if they are offering an article at a price we consider reasonable, or that it would be in the interest of the Government to purchase it, then, if it be required, we will take it. It often happens that the printer sends in for paper for a definite object, and it is ordered by the Department to be according to the sample. Whether we have it or have it not, we have to get that paper, and in that case, knowing what the market is, generally speaking, being in close contact with all the people selling paper, I go to the people who are best likely to give us value for our money, and get the paper that is required.

176. I understand, when your stock is low, and a traveller comes round, you may or may not order from his firm?—That is so.

177. Do they come to see you periodically?—Very frequently.

178. Or do you write to them?—It just depends. A man may come in this morning, and I may have nothing for him; if he came an hour or two later, possibly I might have an order.

179. The way you ascertain is——?—By the actual wants of the service.

180. I suppose these people first see Mr. Senécal?—Oh dear, no.

181. They never see him?—I never knew it.

182. They never told you?—No. That is quite a new phase of the matter.

183. So, that in actual practice you are the first man they see?—I never knew anything to the contrary.

184. You never dreamed of such a thing?—No.

185. You are the gentleman whose duty it is to certify to the quality of the paper?—Yes. I am supposed to see that the Government gets value for its money.

186. You have to see what they sell to the Government is what they have agreed to sell in point of quality?—Exactly.

187. You have nothing to do with the quantity?—Certainly I have.

188. In what way?—I would not certify to an account unless I knew the quantity was there.

189. How do you satisfy yourself that the quantity invoiced has been received?—The goods are received from the railway companies and they are taken into stock, and checked by a man whose duty it is to check them.

190. There is a man whose duty it is to check the goods?—Yes.

191. That is Hughes?—Yes; Hughes for some time back.

192. So that when the paper is received, it is received by Hughes. He satisfies himself that the quantity is there, and you then satisfy yourself, having his certificate, that the quantity is there, and that the quality is up to the mark. The general routine is, that he brings me a sample of paper when it is weighed and counted.

193. Take that account of Rolland & Co., "Checked by J. Hughes." Is that the usual way he certifies to you?—Yes, sir.

194. With all bills for papers, that is the usual course of business?—Yes, unless it happens to be in the case of corrected invoices. For instance, there is a corrected invoice which does not bear his signature, it takes the place of the original.

195. Would the original be certified to, showing the quantity?—I should say yes, ordinarily speaking.

196. Do you know of any case where it was not certified by him?—I do not know of any case where the account did not go through the ordinary routine unless he was absent, when it might be certified to by Mr. Roxborough. He has the stores in charge altogether, and is Mr. Hughes' immediate chief. It might be certified to by Mr. Roxborough, and I would then take his certificate.

197. So that you would take either Roxborough's or Hughes' certificate?—I would.

198. But the certificate of either one or the other is necessary?—It is not absolutely necessary. For instance, I might satisfy myself that the paper had been received, that there was the full quantity there, and that it was of the requisite quality.

199. Has that ever been done?—I cannot tax my memory with an instance, but it may have occurred.

200. Has it occurred?—I could not say.

201. Then having satisfied yourself as to the quality of the paper, and the quantity having been certified to, you get Mr. Chamberlin to give a cheque to cover the bill?—It is passed through the ordinary routine of the Department and the cheque is issued.

202. By Mr. Chamberlin?—It goes to the Accountant, and bears Mr. Chamberlin's signature.

203. And then the transaction is closed?—Yes.

204. Did you ever know a case in which the Secretary of State undertook to certify an account as correct?—Not under ordinary circumstances.

205. Do you remember one case?—I do not think there is any necessity to do it.

206. Do you remember one case?—Where an account was certified to by—?

207. By the Secretary of State, and not by Hughes or Roxborough?—Mr. Hughes' signature would not cause the account to be paid.

208. I am not saying that. His signature shows the quantity of goods received. On that being given you give a certificate that the quality is all right, upon which a cheque is issued, signed by Mr. Chamberlin and the Accountant. That is the proceeding?—Yes. But pardon me: I want to say that it is not Mr. Hughes' and Mr. Roxborough's check mark which is necessary to the account to be paid. I take the responsibility of it.

209. You take the responsibility, you say, but you have never done so?—I think not, sir; I cannot remember it. But I do not think you ought to commit me to that.

210. Well, here are all the papers?—Not all the papers—all the vouchers for printing papers; but you must remember that the business of the Stationery Office is not confined solely to printing papers, but there is a large number of other kinds as well.

211. Is the same course pursued in the Stationery Office?—Exactly the same course is pursued, only that the bills bear Mr. Roxborough's check mark.

212. I notice that in addition to Mr. Hughes' certificate, "Checked by J. Hughes," you certify on the back of the account, "The articles herein mentioned have been supplied, and the prices are fair and just—H. J. B." That is your certificate?—It is.

213. On all accounts for printing papers, bought through your Department, there is a certificate of that kind?—Yes.

214. And on that certificate the payment is made?—Yes.

215. Can you find a single account for the year ending the 30th June, 1890, where any person but yourself has certified as to the correctness of the account—that is, as to the quantity?—No. I think they all bear my signature. That is the rule of the Auditor General, and it is followed.

216. Will you take that account of 26th November (Exhibit No. 1), and tell me how you satisfied yourself that that quantity of printing paper was received by the Department?—By my own positive knowledge that the paper was received.

217. Why was it that Mr. Hughes or Mr. Roxborough did not certify as to the quantity?—There may be circumstances attached to that that I do not remember.

218. Have you any recollection why the certificate of one of them is not on that account?—I do not know. Speaking from memory I cannot. There is a possibility that this was a second account received, and if it was a second account the original would bear the certificate.

219. There was a second account received on December 26th?—Pardon me that is not an account setting forth the particulars. It is the usual statement sent out by a commercial house at the end of each month. There are no particulars as to the kind of paper. It simply says, "to merchandise."

220. Was that account received direct in the Department from the New England Paper Company?—I cannot tell. It has apparently been received at the Stationery Office, on the 27th of December. There is the office stamp upon it.

By the Chairman :

221. The paper or the statement?—The statement.

By Mr. Lister :

222. This second account, (Exhibit No. 1) was received at the Stationery Department on the 27th December 1889?—Yes.

223. Do you know from whom you received that account?—I do not know, speaking from memory. I could not say definitely. From the stamp mark on it, it may have come through the mail. It is dated Montreal 26th of December, and reached Ottawa, presumably on the 27th December.

224. Where was it certified to by Mr. Chapleau?—It is certified to by Mr. Chapleau on the 27th of December—the same day I appear to have received it.

225. Was that certified to in Ottawa?—I believe so.

226. Will you swear that?—I cannot swear that.

227. Have you any recollection about that at all?—I have no positive recollection.

228. Mr. CHAPLEAU—What stamp does it bear?

Mr. LISTER—“Office of the Superintendent of Stationery, December 27, 1889. Approved J. A. Chapleau, Secretary of State, 27 Dec. 1889.”

229. That account would come to your office?—It might not come direct.

230. It must have come; there is the stamp?—It may have come direct to the Secretary of State and he turned it over to us. I would then stamp it, according to rule.

231. If it came direct to the Secretary of State there must have been a letter accompanying it?—I cannot say. He may have kept it.

232. Would he not have sent the letter along with the account to you?—Not necessarily.

233. Would not that be the business way of doing it?—What may seem business to me, might not be business to him.

234. What is business to you?—Business to me in that case would have been to send the account to me direct.

235. Can you say how you came by that account?—I suppose it was sent to me by the Secretary of State. That is my remembrance.

236. So that according to your remembrance this account must have been sent direct to you by the Secretary of State?—Yes, that is my impression.

237. Can you tell me who it was brought it over to you?—My impression is that it came to me with a letter authorizing payment.

238. A letter from—?—I think it was written by the Secretary of State's private secretary, Mr. Taché.

239. That is your recollection?—Yes that is my recollection.

240. Had you ever seen that account (Exhibit No. 1) previous to getting it from the Secretary of State?—Do you mean the statement? I do not think so.

241. On getting it from the Secretary of State you put a certificate on the back and it was paid?—It was paid, I believe on the 2nd January, 1890.

242. You have been in the position you now occupy for the last two or three years?—Since July 1st 1888.

243. Can you, speaking from recollection, say whether you ever received an account for paper certified to and paid on the certificate of the Secretary of State without the other requisites being gone through that you have spoken of?—Not that I remember. But I would add to that, that so far as the payment of that account is concerned, before the money was paid I am in a position to state that the paper was received, the quantity was received and all the other formalities of an ordinary account were observed.

By Mr. Chapleau .

244. How long before the 27th December, by your papers, was the paper received and the invoice received?—It was received in November—the 26th November.

By Mr. Lister :

245. Will you undertake to explain to this Committee how it was that neither of these two gentlemen put their stamp upon this stating it had been checked?—I should think the explanation is this : The paper was not found to be according to sample, and the bill was brought to me and it was held in reserve until such time as a decision was arrived at.

246. Is it not the duty of that man Hughes, as soon as material comes into the Department and before it is taken into stock to satisfy himself that the quantity is there?—He will sign it so soon as it is decided to take it into stock.

247. Not until it is decided?—He will not sign the account until such time as he knows we are going to keep the paper.

248. Does he see you about it?—He does.

249. Is the arrangement made with you that the paper is to be kept?—Yes, or otherwise.

250. This account seems never to have been checked?—I think the reason is as I have told you, that the paper was not found according to sample, and as soon as a decision was arrived at the account was paid. There is no reason to refer it back to me.

251. What receipt have you in the Department to show that the paper was received?—Ask Mr. Hughes. I say positively that I know that that paper was received.

252. I am not questioning that at all. Why was it that this account for paper was not checked by Hughes when it was decided to take it into stock?—I think I have explained that ; but if you will allow me I will explain it again. The paper when it was received was not found to be according to sample and the matter was left in abeyance until some decision was arrived at about it. That is, I presume, the reason why.....

253. You have told us that. Why was it that the quantity was not checked when the decision was arrived at?—It was not necessary. Mr. Hughes's signature is not absolutely necessary for the payment of an account.

254. Is it not on every original invoice that is brought in. You told us a few moments ago that Mr. Hughes checked it?—Yes.

255. But you have pointed out that there have been changes made. So you see the reason does not hold good?—It does hold good. I will show you where there is a corrected invoice received and yet that invoice does not bear his check mark.

256. The original invoice?—The corrected invoice.

257. But the original does?—That may be.

258. That shows that the custom of the Department is to check by Hughes?—He only checks to explain the correctness of the invoice.

259. Why didn't he do that here?—Owing to the circumstances I have already explained.

260. About the purchase of paper. I want to know what you have to say as to the purchase of paper for the Printing Bureau—all paper for printing purposes?—I suppose you exclude contract paper?

261. Yes?—There is a large quantity of paper which you have to supply according to sample, and the result is that the orders go from time to time to the same people—taking care, of course, that the prices are properly regulated. For instance, we may want to make blue covers uniform and we may give an order for a larger quantity, and it remains in stock pending orders as they come in, or as it may be required. There are orders for paper for lithographi : purposes, when probably the paper in stock would not do. We would have to buy it outside, and probably in

small quantities. There are papers for covers for pamphlets, and the Department may fix upon a certain colour or quantity. So long as the Departments have the right to say what they want it is our duty to give them what they ask for. The consequence is we get an order from the printer that he wants to use a certain paper and we buy it.

262. By letter?—Possibly by letter. We know that a certain quality of paper is asked for; we know where it is to be had and we get it. It is very much like conducting an ordinary business and buying to the best advantage and where you can get the best value for your money.

263. You have told us that about half the paper is not bought by tender?—To go into the matter definitely you would have to search out everything.

264. In ordering paper that you have not to buy by tender, do you write to the different makers to see who will furnish it cheapest?—That depends on circumstances. We are in touch with the paper market, and we know where we can get what is suitable for our purposes.

265. You watch the market?—Yes.

266. And you usually know where you can get what is best for your purposes?—Yes; but I may remind you that very frequently we are called upon to supply paper from sample, and we have to get it from the mill that supplied the sample.

267. You have already said that a requisition was made by Mr. Senécal upon you for such paper as he required?—Yes. I may say this in further explanation: I do not think Mr. Senécal sees these things personally. They go to a clerk whose duty it is to make out these requisitions.

268. Who is that clerk?—Mr. Potvin. He acts upon the requisition and sends the order on to us.

269. Then, as I understand you, so far as Mr. Senécal is concerned he has no dealing and is not brought in contact with the sellers of paper at all?—Not so far as I am aware.

270. In fact, there is no necessity for it?—I should think not.

271. All he has to do is to make out a requisition and you purchase the paper?—That is it.

By Mr. Chapleau:

272. We will try to make a short story of a long one. That account was sent by the New England Paper Co., it appears from the invoice, on the 21st November?—26th, it seems.

273. 21st for the account. Do you know under what circumstances that paper had been asked from the New England Paper Co.? For what purpose was it needed?—I do. It was got for the purpose of the Postal Guide.

274. Do you remember having come to me and spoken to me on that subject?—I remember going to you, knowing the paper would be required. You said that this paper was made in the States, and I said that I considered that Canada produced good enough paper.

275. For that particular purpose it had been bought in the States?—Yes. I may say further, to make the matters very clear, that the Post Office Department has been hitherto very particular about the paper that they used for those books. My predecessor had to have that paper specially made in Boston from special stock, and as a matter of fact he paid $8\frac{1}{4}$ cents in Boston exclusive of freight and duty for that special paper.

276. $8\frac{1}{4}$ cents for that exclusive of freight and duty?—My opinion was, and I hold to it still, that we could get paper for it in Canada that would suit the purpose perfectly well and at a less price.

277. Has that not been done?—Yes.

278. Successfully?—It has.

279. How much have we saved in freight and duty?—We pay 8 cents for it delivered here.

By Mr. Foster :

280. What did the other cost, delivered?—It cost $8\frac{1}{4}$ cents in Boston, and including the duty I presume that when it got to Ottawa, it would cost about 10 cents.

By Mr. Mulock :

281. Then the Government paid the duty?—No; but you have to count the duty as against buying it in Canada.

By Mr. Lister :

282. There is no duty coming in from the United States?—Not for goods imported by the Government, but when you consider the Canadian manufacturer you have to take the duty into account.

By Mr. Foster :

283. Leaving the duty out, what would it cost?—The cost in Boston was $8\frac{1}{4}$ cents, and there is the freight to add.

By Mr. Chapleau :

284. You were speaking about the Post Office Department?—Yes. I came to you and said this paper was likely to be required and you said you would see about it. I think, if I remember rightly—and I am trusting to my memory—that you were going to Montreal and possibly you might see if something could be done there about it.

285. Do you remember having given me the measurements of the size?—It was a special size.

286. Which I took with me?—I believe so.

287. Or which I sent—because I believe I sent it. Do you remember when I came here you informed me that the figures I had taken from you were a mistake?—Yes, I do.

288. What was the mistake?—I think you had $22\frac{1}{2}$ by 36 instead of $25\frac{1}{2}$ by 36; $22\frac{1}{2}$ would not be right.

289. Do you remember if I told you that an order for that 240 or 250 reams had been given to the New England Paper Company?—My remembrance of it is not quite in that way.

290. What do you remember?—There is a telegram here stating that the paper would have to be made.

291. You had to send them a telegram saying that the size which had been mentioned to them was not the proper size?—Yes. That is signed in the name of the Secretary of State, and is addressed to the New England Paper Company. It is as follows:—

EXHIBIT No. 3.

(Telegram.)

“OTTAWA, 31st October, 1889,

“To New England Paper Co.,
“Montreal.

“You must cancel the order for paper 35 by $22\frac{1}{2}$. There is, no doubt, ample time to do so, and the Superintendent of Stationery will write you to-night stating exactly what is needed.

“ (Signed) J. A. CHAPLEAU.”

292. That was sent with my signature?—Yes.

293. Will you look for the answer that was sent by the New England Paper Company?—The telegram (Exhibit No. 4) intimates that they will have to make the paper, and is as follows:—

EXHIBIT No. 4.

"MONTREAL, 31st October, 1889.

"To Hon. J. A. CHAPLEAU,
"Ottawa.

"Will have to make the paper. Have already ordered other size.

"NEW ENGLAND PAPER CO."

294. They said they would have to manufacture the paper according to order? —There is no doubt that when the paper came it was the right size.

295. Then in course of time, I think it was on the 21st, you received this letter of the New England Paper Co?—Yes. There is another matter in connection with this that I might mention in order to make the thing clear. You requested me to go down to Montreal. You said that you were afraid an error had been made, and you wanted it put right. I went down and saw the New England Co., and arranged with them to make a paper according to sample; that is, the sample for the Postal Guide, at $7\frac{3}{4}$ cents per pound, delivered.

296. Read that letter?—This letter is written to the New England Co., and is as follows:—

EXHIBIT No. 5.

"DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

"STATIONERY OFFICE, OTTAWA, Oct. 31st, 1889.

"Messrs. New England Paper Co.,
"Montreal."DEAR SIRS,—I am instructed by the Hon. Secretary of State to write you in regard to the printing paper about which some negotiations have already passed. The size needed is $25\frac{1}{2} \times 36$ inches, the weight 55 lbs per ream of 500 sheets; nothing less will do."I understand that the negotiations referred to a smaller size ($22\frac{1}{2} \times 35$ —50 lbs) but as that was a misunderstanding that arrangement has been cancelled by telegram yesterday and again to-day. I do not apprehend any difficulty in your cancelling the order (if there was an order) without any trouble or expense."Then in regard to what is necessary. It is possible you may have to make the paper, in which case it would be well to make it just as closely as possible to that previously used, a sample of which I enclose herewith and for which please quote price delivered here for 250 reams $25\frac{1}{2} \times 36$ —55 lbs in 500 sheets.

"But if you have paper suitable in size and weight already made, please submit to me samples thereof and price per return mail so that the matter may be concluded immediately, the paper being very urgently needed.

"Yours respectfully,

"(Signed) H. J. BRONSKILL,

"Supt. of Stationery.

I have already said that I went to Montreal and took a sample of the paper which was needed, and I arranged with their full consent. We talked the matter over at length and they decided that they could make the paper—this particular paper about which the Post Office was so particular—at $8\frac{1}{2}$ cents in Boston. I said "you will please give me that in writing." On the 4th of November they wrote to me this:—

EXHIBIT No. 6.

"NEW ENGLAND PAPER COMPANY,

"MONTREAL, 4th November, 1889.

"To H. J. BRONSKILL, Esq.,

"Superintendent of Stationery,

"Department of Public Printing and Stationery.

DEAR SIR,—We hereby agree to furnish you with two hundred and fifty reams of printing paper of the size of $25\frac{1}{2} \times 36$ —55 lbs, 500 sheets—done up flat in 2-ream2†— $2\frac{1}{2}$

bundles. Paper to be as near sample shown as possible, both in colour and quality, and to be calendered. Price to be 7 $\frac{3}{4}$ cents per lb. delivered in Ottawa; delivery to be made in Ottawa on or before 23rd November, provided order is given at once.

"HARRISON B. YOUNG,
"Treasurer of the New England Paper Company."

The order was given at once.

297. Do you remember if you received the first invoice of that paper according to the order given?—Yes; on the 26th November, my impression is.

298. Read this, and you will know exactly how it was invoiced?—This is the 25th of November:—

EXHIBIT No. 7.

"DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.

"STATIONERY OFFICE, OTTAWA, 25th November, 1889.

"MESSRS. NEW ENGLAND PAPER COMPANY,
Montreal.

"DEAR SIRS,—The 144 reams paper invoiced 21st inst. reached us in due course and were examined to-day.

"I regret to say that, in my opinion, it falls far short of your undertaking of 4th inst., in which you agreed to make the paper as near sample submitted as possible in colour and quality. In comparing them, your paper is quite a different colour and decidedly inferior in quality; it is somewhat short in weight and its tensile strength not good, as well as being "specky" and otherwise far from clean. It is also packed in three-ream bundles instead of two. If the balance has not been shipped it would be well not to forward it at present, as I much fear the paper cannot be used for the special purpose for which it was made.

As delay in this matter is likely to inconvenience, I shall be glad if you will let me hear from you by return mail.

"Yours respectfully,
" (Signed) H. J. BRONSKILL,
"Superintendent of Stationery."

I may say that that 144 reams was an instalment of the 250 supply.

299. The invoice of the first lot of that order was dated on the 21st of November?—I read "25th November."

300. But the letter says: "The invoice of the 21st."—Yes.

301. Will you read this letter and say if you received it in reply?—Here is a letter which I presume is a reply:—

EXHIBIT No. 8.

"Dictated.

"MONTREAL, 26th November, 1889.

"To H. J. BRONSKILL, Esq.,
"Superintendent of Stationery, Ottawa.

"DEAR SIR,—Your favour of the 25th is at hand, and we are exceedingly sorry that the paper should not meet your expectations. It certainly was made as near the sample as we could make it, and we cannot help but feel that if the paper was tested on the press it would be found to answer the purpose for which it was required. The balance of the shipment is now on the way to Ottawa, and as the freight has been prepaid here, will you kindly take it in and test it on the press.

"Very respectfully yours,

"NEW ENGLAND PAPER Co.,
"Per M. C."

302. Do you remember if it was tested according to the demand of the New England Paper Manufacturing Company?—We should test it whether they demanded it or not.

303. What time did you receive the second portion of the 250 reams?—I do not know. I have no recollection. It certainly came to us.

304. Will you look at this paper and say what it is, and read it to the Committee.

EXHIBIT No. 9.

“ Dictated.

“ MONTREAL, 6th December, 1889.

“ To H. J. BRONSKILL, Esq.,

“ Supt. Dept. of Pub. Printing and Stationery,

“ DEAR SIR,—Your letter of the 5th November is received, and we are very glad that you did not pay the \$13.80 freight. There was a special rate given to us on this first lot and the railroad have overcharged us.

“ This is the reason it has not been settled. If they request payment from you again, please refer them to us.

“ Trusting you are enjoying good health and that we shall be favoured with a call when you are next in our city.

“ Yours truly,
“ H. B. YOUNG,
Sec. Treas.

305. I think, Mr. Bronskill, you came to see me and we talked about this lot of paper?—When the paper came it was put into our building and we waited your action in the matter. I came immediately after it was received and mentioned the matter to you.

306. I think it remained in abeyance until you eventually asked me if it could be used for ordinary purposes, and I said yes?—Yes. I may tell this Committee in explanation of this that the New England Manufacturing Company undertook to do a thing that they could not do. They undertook to make a paper exactly according to sample and it was not according to the sample. I don't fancy they could do it.

307. They gave us a paper fairly worth the money?—Yes.

308. Did I not then mention to you that these people were the New England Paper Manufacturing Company which had been rather unfortunate before in having suffered from a mistake which had been committed by me, and did I not ask you whether it could not be used for ordinary purposes, that is to say, employed at its value by the Department or whether there would be any loss?—Yes, I said that it could be used for the ordinary purposes of the Government without loss.

By Mr. Lister :

309. You know what profit was being made on the paper?—No, I don't know.

By Mr. Chapleau :

310. Has it actually been received and used?—Yes, it has been received and used.

311. Has it been used conveniently for writing purposes in the Department—I mean, has the Government had its value in being used?—Yes; generally speaking, yes.

312. Do you know if there was any special favour asked by the New England Manufacturing Company about some other paper of the same character or kind?—I do not know, so far as I am concerned.

313. Will you read this?

EXHIBIT No. 10.

" Dictated.

" MONTREAL, FEBRUARY 11TH, 1890.

" H. J. BRONSKILL, Esq., Supt.,

" Stationery Department, Ottawa.

" DEAR SIR,—We had the pleasure of shipping you, on Nov. 21st, 1889, some 144 reams of paper.

" We have some 20 odd reams of this stock left in store. Can you not use it? We would consider it a favour if you could.

" Awaiting your reply, we remain, respectfully yours,

" NEW ENGLAND PAPER CO.

" *Young & Son.*"

314. Did I authorize an answer to be given to that?—The answer to that is in your hands.

315. Will you read it?

EXHIBIT No. 11.

" DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,

" STATIONERY OFFICE, OTTAWA, 12th February, 1890.

" MESSRS. NEW ENGLAND PAPER Co.,

" Montreal.

" DEAR SIR,—In answer to your enquiry of yesterday's date I beg to say that we have already sufficient of the paper supplied by you recently, and that, therefore, I regret being unable to take the 20 reams you have left in store.

" Yours respectfully.

" (Sgd.) H. J. BRONSKILL,

" *Supt. of Stationery.*"

316. Would that have been a very great loss, if I had ordered 20 extra reams to be taken?—No, it would not have been very much.

317. Still we did not wish to buy paper from that firm even to the extent of 20 reams?—No, we simply had enough in stock and did not want any more.

318. When I ordered payment it was transmitted in this letter?—Yes.

EXHIBIT No. 12.

" DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,

" STATIONERY OFFICE, OTTAWA, 3rd January, 1890.

" MESSRS. NEW ENGLAND PAPER Co.,

" Montreal.

" DEAR SIR,—I am directed by the Hon. Secretary of State to forward the enclosed cheque in payment of your account for paper supplied as per invoice dated Nov. 26th last, and amounting to \$1,074.15.

" The amount charged for frames (\$16.80) is not included in that cheque as these are never charged by any manufacturer.

" Be pleased to sign and return the enclosed receipt to me and oblige.

" Yours respectfully,

" (Sgd.) H. J. BRONSKILL,

" *Supt. of Stationery.*"

319. You have questioned about my approving that account. Do you remember what time the approval was brought about?—My impression is that it was approved by you afterwards.

320. After our conversation?—Yes.

321. Not before?—No.

By Mr. Daly :

322. That is after the conversation in which you informed Mr. Chapleau that the paper could be used for other purposes?—Yes, my impression is that the New England Company telegraphed to the Secretary of State that they had not received payment for that paper and asking for payment. I believe I am correct in stating that the telegram was received after the Secretary of State authorized the payment to be made.

By Mr. Chapleau :

323. And then it was that I put my signature upon it as I do on similar accounts?—Yes.

By Mr. Daly :

324. Is there anything extraordinary in the fact that the Secretary of State approved of the account in the manner described?—I looked upon it as an authorization to pay.

325. We have been speaking about the qualities of paper and as to whether the papers were received. I will now call attention to the quantities. Are not the quantities of paper used, very easily controlled in the Printing Department where it is used?—I do not know that I quite understand your question.

326. Is not the quantity controlled even after it is printed?—How do you mean by controlled?

327. Could an amount of say 250 or 260 reams of paper be received and used without its being properly checked? Even after it is printed is it not also controlled by the quantities used?—Every sheet of paper that goes into the Stationery Office is accounted for and if it is sent to the printing office it is there accounted for.

328. And the quantity used by the printing office is there certified and controlled by the Accountant, so much as has been used in the printing?—Certainly.

329. They requisition you for a certain quantity required for a particular job, and when they use it there is a thorough control of the quantities that have been used and the paper is checked and a return sent you if it is printed and compared. Say if you sent to Mr. Sénécal 300 reams it could not be disposed of in any way. He would send it back paper printed?—No, it could not be disposed of. It is all controlled. I am not entirely conversant with this part of the work, but I believe there is a thorough control of it.

330. You take an inventory of your stock at times?—Yes.

331. How often?—Once a year.

332. Is the control of the quantities that have entered your office or are sent to the printing office of the Department effectual?—Yes.

333. Are all papers faithfully checked and controlled?—Most certainly.

By Mr. Sproule :

334. Are these invoices sent with the paper?—Yes, they are.

335. And the party whose duty it would be to receive these would see that the paper was in accord with the invoices?—Yes.

336. Would he check it off then?—I don't think he would in this case; this was a case in which the paper was not according to sample, I am speaking to you honestly about it. I believe, the only reason for not certifying the account was that the paper was left in abeyance.

337. Well, you had sufficient information to certify that the paper was there?—I have no more doubt that it was received, than I have that I am speaking to you at this moment, that we got the total quantity we paid for, I have no more doubt than I have that I am speaking now.

By Mr. Chapleau :

338. Perhaps I did not express myself quite clearly; is it not a fact that the amount of work turned out by Mr. Sénécal at the printing office—is not the quantity

of paper printed in itself a control of the paper supplied to him?—Yes. Mr. Senécal gets so much paper, it is given to him on an ordinary requisition which is made out, and he is given only his printer's percentage for waste, and all that has to be accounted for.

339. *Mr. Bronskill*, I think you have stated that in cases where contracts have been found to be performed very satisfactorily, the continuation of the contract has been made with the same parties as had been giving the supply?—We would very often give orders for the same kind as has been supplied. That is so long as the Department consider it their duty to supply.

By the Chairman :

340. Therefore, you would order the same paper from the same manufacturers?—Yes, I may say that the Stationery Office is not like a stationer's store, we don't stand behind the counter and talk the matter over. Generally speaking, if we were to try to persuade them in the Departments to take a different paper, they would think that we were trying some economical game, they would have doubts of our sincerity. The fact is, we don't see our people to discuss with them in that way, and they have a right to say what they shall have to a very great extent.

341. You mean by this the various Departments?—Yes; the various Departments and the Houses of Parliament.

By Mr. Daly :

342. You are not the bosses, they are the bosses?—Yes; they are the bosses.

By Mr. Lister :

343. Who ordered this paper?—I think, I have already said that I went down to Montreal to order it.

344. At Mr. Chapleau's request?—Mr. Chapleau, I think, had some negotiation, and there was a mistake as to size.

345. And you went and set that right?—Yes. I made an arrangement whereby if it had been carried out, I would have saved one-half a cent a pound, it was a very economical one, and we hoped to have got it through all right.

346. But the paper was not good enough?—No.

347. It was not up to the sample?—No.

348. It was not what was bargained for?—No.

349. And the consequence was you did not accept it?—No. Not until the matter had been arranged with Mr. Chapleau.

350. You did not accept it until after you had consulted with Mr. Chapleau, who gave you your instructions to act?—No; the papers show that.

By Mr. Daly :

351. When you say it was not up to the sample, do you mean in quality or in size?—It was not up to the sample submitted, it was not good enough.

By Mr. Foster :

352. In colour, strength and weight?—We saw it was a little short, it was not quite up to the sample.

By Mr. Lister :

353. You paid the price that you were to pay if it had been up to the sample?—I want to say a word about that if you will allow me. In my opinion they could not make the paper for the price they undertook to do it.

354. I am not disputing that, I am not blaming you; I am simply asking you a question whether the paper was paid at the rate you agreed to pay just as if it had been up to the sample?—Yes. But on the other hand if you will look at it in this way. They gave us a paper that was fairly worth the money.

Mr. CHAPLEAU.—Before the Committee is called to hear the evidence which it is proposed to be given, in order, as it is alleged, to prove that the order for the supply of paper to the Department of Printing and Stationery, the account of which has just been examined by this Committee, was given by me in consequence of a corrupt bargain and to the detriment of the public interest, involving, as it would, my honour, dignity and integrity, I wish to enter my protest against such a course. The reference made by the House to this Committee does not and cannot cover such a charge. I only want, in taking this course, to vindicate the privileges which every member of the House must enjoy and which this Committee respect and protect—not that I refuse the fullest investigation into my conduct as the responsible head of a Department. On the contrary, I would court that investigation, knowing as I do that the evidence would establish the futility of the charge, if charge there is. I wish, then, to make the following statement, after denying and repudiating in the most emphatic manner any charge or insinuation of wrong-doing on my part, in relation to the matter before the Committee. What are the facts presented to the Committee? An order for 250 reams of printing paper appears to have been given to the New England Paper Company by the Department of Public Printing and Stationery. The paper was sent to the Department and used by it. The account (\$1,074) was sent and paid upon approval of the head of the Department. The circumstances of the case are these: Mr. Young, the head of the New England Paper Company, had been tendering for paper to the Department of Stationery before, but he had been an unsuccessful tenderer. Like other unsuccessful tenderers he thought, as naturally he might think, that perhaps a little more favour should have been shown to him, that “a chance,” as tradesmen would say, should have been given to him to try and furnish a supply of paper. Every man in the trade who can secure such a good customer as the Government is, endeavours, by his diligence, to retain the custom, and if he does not have it he tries to secure such a customer. I knew Mr. Young as a perfect gentleman and a good business man. He had occasionally asked me if he could not get an order to supply some paper to the Printing Department. This was not the first time a demand of the kind had been made to me; people naturally would ask me whether they could not supply the Department with articles they were selling. I told Mr. Young that I was very sorry he had not had a chance; that the reason was because his former tenders did not suit, but that if it were possible to give him an order for supplying paper we would do it. The transaction that has taken place was exactly as related by the witness, Mr. Bronskill. The *Postal Guide* had hitherto been printed from paper bought in the United States. My officer, who is a painstaking man, said to me: “Would it not be possible to have Canadian made paper for this work?” He thought it might be found in the country. Mr. Bronskill gave me the figures of the size and weight required, and I myself sent or gave those figures to Mr. Young or to his clerk. I was informed that Mr. Young’s company would manufacture the paper, and I told them what the size and weight of the paper was to be. Thereupon I informed my officer, Mr. Bronskill, that the New England Paper Company would in all probability be in a position to enter into a contract. I was about to send Mr. Bronskill to Montreal to give further necessary information required by the company; not being a technical man in the trade myself, when Mr. Bronskill observed to me, “but the figures you gave them are not correct as to the size of the paper; they should be $25\frac{1}{2} \times 36$ instead of $22\frac{1}{2} \times 36$.” I think those are the figures, but at any rate there had been a mistake on my part. A telegram was accordingly sent them from the Department by Mr. Bronskill informing them that the size was not correct. A reply was received shortly afterwards in which the firm informed me that they would be obliged to manufacture a new lot of paper because they had already ordered the other size. I sent Mr. Bronskill down there and he made the arrangement with them in writing. The order was such that the New England Paper Company said they could manufacture what we wanted. It was duly manufactured and sent to Ottawa but it appears that the paper was not up to the mark. I have no hesitation in making the statement here that I said to Mr. Bronskill: “It is too bad, Mr. Young, having already been obliged to manufacture a

second lot of paper owing to a mistake made by me, I would not like him to lose that sale now that his paper has been sent if it is in part my fault." I may state to the Committee what Mr. Chamberlin has already told you, that often it has happened that when a certain contract has been entered into for paper and when we have received it, it would not be quite up to the mark, those from whom we have purchased, have said, "we will make a rebate." In some cases the rebate would be made; in other cases the paper would be returned if it did not suit at all; but if we could use the paper for some work in which another kind of paper of equal value would generally be used, I would allow it to be done. In this case, under the circumstances I have mentioned, I instructed my officer to accept it on the assurance that we might be able to use it without a loss to the Department, and I approved of the account. If I did wrong in acting as I did, let the Committee say so. Here is my statement; if it is not accepted by the honourable gentleman who has brought the case before the Committee, I challenge him to challenge my statement. I make it in absolute honesty before the Committee, as the responsible head of the Department. If there was a mistake in that departmental transaction it was made by me; but if there is any intention of proving, by any written document which it is not pretended was made by me, at my suggestion but of which the honourable gentleman said I had cognizance, and which I engaged to carry out, that it savours of a corrupt bargain—

Mr. LISTER—I said nothing of the kind.

Mr. CHAPLEAU—I know that, but I say if you intended to convey that idea. That paper has been put into a case in which I am one of the counsel (it was put into the case by the firm of Chapleau, Hall, Nichols & Brown.) Mr. Brown is here ready to give to the Committee all the information he possesses. But I say if an investigation is to be made at all, if it be the intention to challenge the honesty and the character of the Minister affected, let it be done in the manner in which it ought to be done. If my statement is to be challenged and contradicted, I want the gentleman who makes it, to make it in his place in the House. I am ready to answer him in the manner and at the time which parliamentary form and practice indicate.

Mr. BRONSKILL recalled and further examined:

By Mr. Lister:

355. Can you tell me the amount of paper furnished to the Department by J. B. Rolland & Sons, during 1888-89-90, or rather can you give me the amounts furnished by the five firms and the prices paid?—Do you refer to printing paper?

356. Yes. Paper used in the Printing Bureau?—Do you mean actual paper to be printed?

357. All sorts of paper; paper on which you print?—I could not give you that off-hand. I think you can get the information from the vouchers,

358. Would it be possible for you to make up a statement? Yes.

359. I see that the account of Rolland & Sons last year for paper was \$18,872?—That is nearly all for writing paper.

360. And the Canada Paper Company's account is \$25,941?—They manufactured special kinds of paper which have been in use for many years.

361. Barber & Sons \$4,242 and the rest are small. For instance the Toronto Paper Company's is only \$1,044?—The Toronto Paper Company supply paper which is specially made. We use it for the Supreme and Exchequer Court work.

362. Could you make out a statement showing how much paper these five firms furnished to the Department in the years I have mentioned, and the total amounts paid them?—Yes.

By Mr. Chapleau:

363. I think you sent me to the House a statement of the amount of reams supplied during the years 1889-90, showing that it was between ten or eleven thousand, or nine and ten thousand reams?—I am not sure about

1888-89-90. The statement I prepared was a very comprehensive one, and would include every class of paper, including that for lithographing and the Geological Survey.

364. You are speaking of other papers just now?—Yes. Mr. Lister was referring to the amounts paid to the different manufacturers, and I was telling him, in reply to the question as to the small account of the Toronto Paper Company, that it was due to the small orders we had to give for the papers which they only manufacture, that is to say the Supreme Court and Exchequer Court paper. Orders for this class of paper never go anywhere else because that firm won't make any other paper.

365. But the order goes from your office?—Yes.

By Mr. White (Cardwell) :

366. When Col. Chamberlin was on the stand Mr. Lister asked him how it was that the Canada Paper Company were only entitled to \$2.70 a ream, and yet they received \$2.75?—The explanation is this, that it was a different quality of paper.

367. In no case have they received more than the price of their tender for the quality of the paper?—No, sir.

COMMITTEE ROOM, THURSDAY, 13th August, 1891.

Committee met—Mr. WALLACE in the Chair.

GEORGE H. KERNICK called, sworn and examined:—

By Mr. Lister :

368. You are clerk of the Court of Review?—I am clerk of the Superior Court and of the Court of Review.

369. Have you the papers in the case of the New England Paper Company *vs.* Berthiaume?—Yes.

370. Will you produce them?

Mr. Chapleau objected to the production of these, and a debate arising thereon, the Committee adjourned.

COMMITTEE ROOM, Friday, 14th August, 1891.

Committee met—Mr. WALLACE in the Chair.

GEORGE H. KERNICK recalled and further examined:—

By Mr. Lister :

371. I asked you yesterday what your position or occupation was?—Deputy Prothonotary and as such clerk of the Court of Review.

372. Will you produce the record and exhibits in the case of the New England Company against Berthiaume?—Yes, on one condition: that I am allowed to have the record back again.

373. Undoubtedly you will be allowed to take it back?—Then I produce the record.

374. Do you produce the agreement upon which that suit is founded between the New England Company and Berthiaume?—I took in the agreement here, dated 9th November, 1888.

375. Look at that memorandum. It does not appear to have a date, witnessed by Miss A. M. Parent, and say whether that is one of the exhibits filed in the case of the New England Paper Company against Berthiaume?—Yes.

Mr. LISTER—It is marked Plaintiff's Exhibit No. 3, I propose to put it in in this matter as Exhibit No. 13.

Mr. Foster objected to this agreement being put in.

Objection sustained.

The Committee then adjourned.

COMMITTEE ROOM, WEDNESDAY, 19th August, 1891.

Committee met—Mr. WALLACE in the Chair.

BROWN CHAMBERLIN recalled and further examined :—

By Mr. Lister :

376. I see that a portion of the printing paper furnished to the Department is supplied under contract, the amount, according to the statement I have here, being \$29,991.75 for the fiscal year ending 30th June, 1890?—There are a variety of contracts there.

377. There was paper furnished under contract and paper not furnished under contract?—Yes, sir.

378. It seems to be correct that the amount furnished was \$29,991?—I fancy it is. That statement is furnished I suppose by the Superintendent of Stationery; I have not seen it before.

379. This is from your Department is it not?—I recognize the handwriting of one of the clerks, but I have never seen the document before.

380. Had W. Barber & Bros. a contract with the Department for supplying paper?—They had a contract for a certain limited amount, or a certain limited time, I do not remember. They have had repeated contracts under special tenders, or under special arrangements from time to time. I do not remember that particular contract at the present moment.

381. You say they have had contracts from time to time, under special arrangements?—They have had special contracts and general contracts at different times.

382. Well, they seem to have had a contract for the year ending 30th June 1890?—Doubtless, if it is so stated there.

383. I asked that these contracts should be brought. Have you brought them with you?—I received no summons to produce them, sir.

384. You will understand now that I require those contracts to be produced?—Certainly.

385. Then I see that the Canada Paper Company furnished paper to the value of \$24,019.46 to the Government; under contract during the past year?—Yes, sir.

386. Can you tell me when that contract was entered into?—It was entered into, if I remember right, towards the beginning of the fiscal year. We generally make our contracts somewhere about that time.

387. Are your contracts, as a matter of fact, made at the beginning of the year for the ensuing year?—Well, the contracts are made in this way, sir. We estimate what we think will be the quantities of paper to be used in certain lines for certain objects, and we contract for that. Of course, sometimes we over run our estimate, and we sometimes fall below our estimate, but we have to estimate as closely as we can, and take tenders for the amount we believe will be required for that line of work.

388. Then I understand to say that the contracts entered into are for a year only?—As a rule only for that period, but sometimes a sudden pressure of work comes on, and we might put out a very large job that requires immediate delivery. We sometimes take tenders for a large job like that.

389. But as a rule they are for a year?—As a rule the contracts are for a year.

390. Now, I ask you whether contracts have been made for a longer period than a year?—I do not remember at the present moment. I would not swear positively on the subject, but I do not remember any at the moment.

391. But you say your custom is to contract for a year?—To contract year by year.

392. The contracts themselves will show, of course, for how long they were entered into?—Yes, sir.

393. Then J. B. Rolland & Son appear to have furnished paper to the value of \$1,729.99 under contract. Was that contract for a year?—I suppose it was, but really I have not the tenders by me. I might say with regard to contracts that

since the ruling of the Supreme Court in the Barber case, where they decided that the tender and the acceptance of a tender made a contract, we have not gone through the long formula of having contracts engrossed and written out, but we have taken that dictum as our guide, and made the contract simply upon the tenders issued and the acceptance of those tenders.

394. Well, then, I ask you again, whether you have any recollection of contracts entered into in your department for the supply of paper extending over a period longer than one or more years?—Not of a recent date, sir.

395. When you say “not of a recent date,” what do you wish us to understand?—Well, I wish you to understand within, say, the last five or six years.

396. Well, going beyond five or six years, were contracts entered into for a longer period?—At one time, we had contracts for five years; it was a bad system.

397. But for the last five or six years the contracts have not extended beyond one year?—The custom has been only to do it—

398. I am not speaking now of the custom; it is the fact I want to get at?—Well, sir, I would not like to answer without a reference to the paper.

399. You can satisfy yourself by referring to the paper?—By referring to the papers—yes. I have no doubt Mr. Bronskill could answer now, or I might by consulting the papers.

400. Then I see that purchases, not under contract, to the amount of \$10,851.73, were made. How were those purchases made?—They were made from time to time as required for the uses of the Department.

401. Simply as the requirements of the department demanded they were made?—Simply as requirements demanded. Of course we are not so foolish as to wait until we run out; we keep a small supply in advance to meet the daily needs of the several Departments.

402. Well, then, I suppose these \$10,851 worth of goods were supplied just as you wanted them?—Just as I wanted them.

403. You simply wrote and the goods were furnished?—Yes.

404. There were no tenders asked for?—No.

405. During the past year, you have bought 6,217,311 envelopes at a cost of \$19,490.76, from Barber & Ellis, of Toronto. Was that under tender?—No, sir, I think not, but that subject is entirely in the hands of the Superintendent of Stationery.

406. Who is the Superintendent of Stationery?—Mr. Bronskill. These purchases were all made directly by him.

407. Do I understand you to say that the goods purchased not under contract—that these envelopes—were bought by Mr. Bronskill as Superintendent of Stationery?—Yes; by him as Superintendent of Stationery. At times when he had large orders he would merely mention the matter to myself, but as a rule the purchases were made by the Superintendent of Stationery.

408. Then I understand you to say these 6,000,000 of envelopes were not bought on tender?—No, sir.

H. J. BRONSKILL re-called and further examined:—

By Mr. Lister:

409. When I had you under examination the other day I forgot to ask one question. I will ask it now. It is with reference to the memorandum with the words “Taken into stock by order of Mr. C.” Who does “Mr. C.” refer to? You say by Mr. C.’s order?—Will you allow me to look at that.

410. Certainly.—I should say it is the Secretary of State, sir.

411. Mr. Chamberlin states that so far as the envelopes, which cost \$19,400, are concerned, that they were bought without tender?—That is true.

412. Was there any written contract entered into?—There was a scale of prices agreed to.

413. Have you that scale of prices?—No, not with me.

414. Then this arrangement was brought about by correspondence?—That is an arrangement that has been existing for years.

415. It has been revised from time to time as necessity occurs?—That is so; if we have reason to believe that the prices should be altered or lessened the list would be revised.

416. That is in your judgment when the prices ought to be lowered, they would be reduced?—Yes. They have been reduced, as a matter of fact.

417. So that the fixing of the price is in the hands of the Department and the company accepts from the Department what you think, as head of the Department, would be a sufficient price?—Yes: and this price is generally as nearly as possible fixed by the competition in the market. I may state that we have a standard quality that guides us from time to time, and I may tell you further that they are the English sizes, and there is difficulty in getting them from everybody.

418. What other people did you communicate with for the purpose of ascertaining and fixing the scale of prices?—Well, it is sometime ago; I cannot remember.

419. How long ago?—About two years ago.

420. It was about two years ago when you inquired from other parties for the purpose of ascertaining what would be a fair price for the envelopes?—Yes.

421. About two years ago you gave the work?—Yes.

422. From whom did you inquire?—From Gage, and, I think, the Canada Paper Company.

423. Those are two?—Yes.

424. Have you in your Department the replies you received?—I cannot say that I have.

425. Do you not file them?—Possibly they might be filed.

426. Do you think you could find them?—Possibly I might.

427. Was the price you paid to Barber & Ellis greater or less than they said they could furnish them for?—I cannot answer that now. If it were more it would be on account of the quality. So far as the qualities that we use are concerned, they would be simply Indian tones. There is a standard fixed, and we endeavour to keep to that.

428. With what member of the firm of Barber & Ellis are you brought into contact more immediately?—Mr. Perrett generally speaks to me.

429. Does Mr. Perrett deal with you directly?—Yes.

430. That is, your orders would go through him to the firm?—Yes.

431. He is the man who makes the sales?—Yes.

432. Do you see him frequently?—I very rarely see him; he comes seldom down here.

433. Then you order paper as you require it?—Yes; from time to time, according to the requirements of the Departments.

By the Chairman:

434. By order?—Yes; by order.

435. You have not examined into the matter for the purpose of seeing whether there should have been any reduction in the price of envelopes for the last two years?—I would not like to give a definite answer; I know that there has been a reduction.

436. Do you know that there has been a reduction in the last two years?—Yes; but I cannot tell you that a change was made without further search.

By Mr. Lister:

437. Now, I see that paper to the value of nearly \$30,000—or \$29,000—is purchased under contract. Is that portion of the supplies under your Department particularly?—Yes.

438. And those contracts are made—how often?—Well, the contracts are usually made for 12 months.

439. Is there any exception to that?—There is only one exception, and that is Rollands. Their contract, I think, holds good for three years. It is revisable in December each year.

440. That is to say, that they contract to furnish the paper for three years, but subject to revision each year?—Yes. The Act does not call for tenders for this kind of paper.

441. Oh, it is all right; I am not finding fault. Who revises it?—The action would come, of course, from the Secretary of State.

442. Is that a condition of the contract?—I would not like to tell you what the conditions of the contract are just now with reference to that. I only know that we have a right to have a revision.

443. I want to know whether the revision takes place every year?—I do not know that it takes place, but it may take place.

444. When was this contract made?—In 1886.

445. Did they contract previous to that time?—No; this contract was made in 1886, that is, so far as I know.

446. It was made with Rolland & Co., and they only contract for that kind of paper?—Yes, ledger and writing papers. Of course there may be contracts for printing papers that I do not know about within those dates.

447. You do not know about these?—I have not looked the matter up.

448. And the firm of Rolland & Sons are the only ones that have this kind of contract?—Yes.

449. Have the Canada Paper Company?—They have not this kind of contract.

450. Nor have Barber & Ellis?—No.

451. Why was an exception made in the case of Rolland & Son?—I cannot tell you.

452. Any consultation with the Minister about it?—If you will allow me, I will say that the arrangement was made before I went into the Department.

453. Who occupied that position before you went in?—Mr. Young, who is since dead.

454. This was made in Mr. Young's time?—Yes.

455. Now, there is a quantity of paper furnished not under contract?—Yes.

456. How do you do with that?—A large proportion of it is got to fill demands to sample, to the order of the printer.

457. As you want the paper you order it?—Yes.

458. And the paper is sent on?—Yes.

459. How long have you been in the Department?—Since the first of January, 1888.

460. During the time you have been in the office have you ever received from any person who sold supplies to the Department anything in the nature of a commission or percentage?—Have you a proof of it?

461. I am simply asking the question?—You give me a proof of it and I will answer your question.

462. I consider it my duty to ask you that question as a public official. I have made a charge, and I ask you, on your oath, whether during the time you have been in the Department you have received a commission from people who sold you goods, either as a commission or a percentage?—In one case.

463. Only one?—That is all.

464. Is that all?—That is all there is officially.

465. What case is that?—That is in the case of McFarlane, Austin & Co., of Montreal.

466. What was that?—It was a small commission upon the goods sold.

467. What goods were purchased?—Paper, of different kinds.

468. How much did you purchase from them?—A small quantity.

469. How much was it?—I think you have it there (referring to the accounts.)

470. Is this the only quantity you purchased?—That is all.

471. In 1890 it was \$459. Is that all?—Is it as much as that? It is a very small account.

472. Was that the only purchases that have been made from McFarlane, Austin & Co., since you have been in the office?—No; the account remains open to-day.

473. How much have you purchased in all?—I cannot say. Perhaps it might be \$1,000 altogether.

474. I now ask you how much commission you received?—Amounting altogether to \$70 or \$80.

475. Who paid it?—It was paid at different times.

476. Was it paid in cash or by cheque?—Cash.

477. Where was it paid?—I think it was in Ottawa.

478. How many payments were there?—I think there were two.

479. I ask you again if that is the only money you ever received since you have been in the Department?—None, except of a purely private character.

480. Might I ask the explanation of that statement?—The explanation is this: That so far, there have been transactions with some people, but it has always been in the nature of personal assistance. It has never interfered with my duty to the Government, in no shape or form. It has never destroyed my independence. The goods have been purchased at the very lowest amounts, and so far as McFarlane & Austin are concerned, I think I am in a position to produce a letter where they state positively that there never has been any discount allowed off their account; that their prices have always been net. I can say without the slightest hesitation whatever that in no case has the Government suffered one cent.

481. You were saying that they were of a personal nature? I ask you for an explanation?—There might be assistance given to meet personal engagements.

482. What was the nature of that assistance?—For instance, I might.....

483. Don't give me a suppositious case. Give me an actual case?—In the case of sickness and also in the case of my people going away for the summer.

484. Who was it that you said advanced to you?—I told you that they were of a personal character.

485. I ask to tell me. They are from people who deal with the Printing Bureau and the Committee has a right to know. Are they people who deal with the Printing Bureau?—They are, Barber, Ellis & Co.

486. Who else?—I do not know of anybody else.

487. You do not remember?—Not for the moment. If you will refresh my memory I will tell you.

488. Might I ask you how much they advanced to you in this way?—I should think probably in the neighbourhood of \$200.

489. Do you swear it is not a great deal more?—I do not think so.

490. When did they make this loan to you? Is it a loan?—Yes, it is.

491. When was the loan made?—I think the first was in 1890.

492. What time in 1890?—I cannot say.

493. Was it in the summer or the spring or the fall?—The summer of 1890.

494. It was advanced to you for the purpose of your family going to the sea coast?—Yes.

495. Where was the money advanced?—I cannot say. It might be in Ottawa.

496. I want you to say. It is only a year ago?—It might be sent by mail.

497. Was it by cheque?—No.

498. Do you swear to that?—No; I do not think it was.

499. Was it in cash?—It might be.

500. But was it?—I think so.

501. Did it come by registered letter?—I do not think so.

502. How did it come?—In the ordinary course.

503. Do you remember the denomination of the bills? Were they hundreds or fifties?—No.

504. How did they come to send you this money?—Simply as a private transaction.

505. How was it brought about? They would not know you were hard up?—Simply in the course of intimacy between their representative and myself.

506. Who was their representative?—That came through Mr. Perrett.
507. That came through Mr. Perrett?—I think so.
508. How long before that money arrived had you seen Mr. Perrett?—I cannot say.
509. A month or six weeks?—I cannot say.
510. Had you written to Mr. Perrett about getting this money?—No; I do not think so.
511. You had not spoken to him?—No; I do not think so.
512. You did not tell him you were going to the sea coast?—It might come up in ordinary conversation.
513. Did it?—I suppose it did.
514. Tell me all about it. How did it come up?—That is all I remember. If there is anything else I would tell you.
515. It is no gratification to me to ask you, but I feel it is my duty?—That is all there is about it. If my duty towards the Government had been impaired in any form I should not defend it.
516. Did you acknowledge the receipt of the money?—I do not think so.
517. Did you ever give Mr. Perrett or Barber, Ellis & Co. a promissory note for it?—Yes.
518. When?—I cannot tell you when.
519. Do you swear you gave them a note?—I think there is a note given for it.
520. How do you know?—I believe a note was given.
521. When?—I cannot tell you.
522. Recently?—Recently.
523. Within the past two weeks?—Yes; very recently.
524. It is within the last two weeks, I understand?—No; I do not think it is within the last two weeks.
525. Your judgment is, it would be about two weeks ago?—Two or three weeks ago.
526. I will have the note. You are speaking just from recollection?—Yes.
527. How did you come to give the note? Who asked you for the note?—Nobody asked me for it, I gave it myself.
528. Did Barber & Ellis ever demand payment of this money?—They did not ask for it, but it is owing.
529. Is the note dated on the day it is given or ante-dated?—I think it is dated on the day it was given.
530. Are you positive about that?—I think so.
531. Now, can you tell me without any doubt exactly how much the note was? If you only gave the note two weeks ago, you will surely remember the amount?—It was \$100.
532. But you got \$200. How did you come to give a note for \$100 when you were owing \$200?—The other is an open account standing against me.
533. Was that another transaction?—Yes; that was another transaction.
534. According to your statement, you owe them \$200, and I understood from you that that \$200 had been sent to you in a letter?—No; I never got \$200 in a letter at all. I never got \$200 at once in any shape or form.
535. Did not you state a few minutes ago it would exceed \$200? Tell me how you came to give the note for \$100 when you owed them more?—I suppose the note would probably cover the last advance.
536. And the last advance was made a year ago?—No, sir.
537. When was it made?—The last advance was made in order to pay my life insurance.
538. When was that last advance?—I think in May of this year—May or June.
539. How did you come to get that advance? Where was it paid to you, and how was it paid to you?—I do not know. Presumably it was sent down by mail.
540. Do you not remember how, as recent as June, the money was sent to you?—I presume it came to me by mail. I cannot tell you that it came to the contrary.

541. Do you swear it did not come to you by mail?—I do not, because I do not recollect.
542. Was it by a cheque?—No.
543. You are positive about that?—Yes.
544. This came to you in June to pay your life insurance?—Yes.
545. And although you got it as recent as June, you cannot tell the committee how you obtained that money?—My impression is, it came to me by mail.
546. In cash?—I think so.
547. How did they come to send you that \$100?—Possibly they might have been asked to advance it.
548. How did they come to send you that money?—Probably I asked them.
549. Did you ask them?—I suppose I did.
550. Where did you ask?—It might be—
551. Do not say "might be." Where did you ask for it?—I cannot say.
552. Whom did you ask for it?—I presume it might be Mr. Perrett.
553. Was it Mr. Perrett?—I think so.
554. Where did you ask for it?—It might be in Ottawa.
555. Was it in Ottawa?—I think so.
556. Was it in your own office?—It might be; I could not say; I should think it was.
557. You think it would be in your own office that that \$100 was asked for, in May or June of the present year?—Yes.
558. What was Mr. Perrett there for?—In the ordinary way of business.
559. Did he get an order from you?—Orders are going from there every day.
560. Did he get an order from you that day?—I could not say; he might or might not. Orders are going out almost every day.
561. Do you say you cannot remember whether you gave him an order that day?—I could not tell you.
562. And he handed you \$100 in the office?—I cannot say that.
563. You said it was paid in Ottawa, however?—I think it might have come by mail.
564. Well, did it come by mail?—I do not know; I cannot tell you.
565. This transaction only took place about two months ago. Now, as a matter of fact, did he not pay you the \$100 in your office?—It is quite within the range of possibility that he did.
566. Did you give him any receipt for it?—I could not say whether I did or not.
567. Did you give him anything at all to show that you were indebted to him to the extent of \$100?—I do not think I did at that time.
568. So the money was just handed over to you?—Presumably.
569. Not "presumably." Was it, as a matter of fact, handed over to you?—I cannot tell you whether it came by mail or whether he gave it to me then. There is no doubt I acknowledged the receipt of it.
570. Do you want the Committee to understand that in a matter of so much importance to you, that in the payment of your life insurance premium by this money, you cannot say two months after the transaction took place, whether you got the money here or it was sent to you from Toronto?—I think, as far as my memory serves me, it was paid in the office.
571. Was anybody present when it was paid?—Not that I am aware of.
572. Was any receipt given for it?—Not that I am aware of at the time.
573. Was there one given afterwards?—There is an indebtedness, I think, of \$200 against me.
574. Then at the time there was no note given, no receipt given, and no acknowledgement made of this at all?—No.
575. You have told the Committee already that you have sent Mr. Perrett a promissory note within the last two weeks for \$100?—Yes.

576. And this was not asked from you. It was purely voluntary on your part?—
It was.

577. In addition to that \$100, you received other moneys from him, amounting in all to \$100 more?—Possibly.

578. You said so. I am speaking of the other \$100 which you said you received?—
Yes; I received it in June, I think.

579. This past June?—Yes. This was purely a personal matter.

580. You got the \$100 we were speaking of in June?—No; it was in May.

581. Did you get another \$100 in June?—Yes.

582. And you got \$100 in May, for which you gave a promissory note this month?—No, sir.

583. What was that given for?—A note.

584. What was the note for?—That note was given for the second \$100 which was advanced in June.

585. He advanced \$100 in May and \$100 in June, and for the advance in June you gave your promissory note?—I did.

586. And you gave the note within two weeks of to-day?—It would be about three weeks ago.

587. We shall have the note here and it will speak for itself. What did you give him for the advance of \$100 in the month of May?—Nothing.

588. How much was that advance?—\$100.

589. When was that money paid?—It has not been paid.

590. Where did you receive it?—I think in Ottawa.

591. Well, now, is there any reason why you should not remember? It is only three or four months ago. Try and brush up your memory, and see if you cannot remember where it was paid?—I cannot be positive, sir, but I think my answer would be that it was paid in Ottawa.

592. Was it paid in your office?—It might be, but I cannot say.

593. Do you mean to tell us you cannot say whether it was paid in your office or not? It may have been sent in a letter?—I think it was paid in the office, to the best of my recollection.

594. What was that for?—I have already told you, sir; I think it was a personal advance.

595. I know it was personal, but what was the particular object?—I had a sick child, and my people were going down to the seaside. I could not myself afford to send them, and I asked Mr. Perrett to be good enough to advance me \$100, to do it.

596. That \$100 was for the purpose of sending your family away?—Yes.

597. The other \$100 was for the purpose of paying your life insurance?—Yes.

598. That first \$100 was paid to you in the office. May I ask you whether you gave any acknowledgement of that \$100 to Mr. Perrett?—Not to my remembrance.

599. It was paid by Perrett?—Yes.

600. You gave nothing at all acknowledging your indebtedness?—I do not think so.

601. Do you remember the denomination of the bills that were handed to you?—No; I do not.

602. Then you gave no promissory note for that \$100?—No.

603. How was it you did not sign a note for that \$100 when you signed it for the other \$100?—I could not tell you that.

604. Was there an order given on the day Mr. Perrett gave you the money, in May?—There is an order given pretty nearly every day.

605. Was there that day? I know there must be, because the account is nearly \$19,000?—You must remember, as far as orders going to Barber, Ellis & Co., the Department, through the Printer, ordered envelopes nearly every day.

By the Chairman :

606. You got all your envelopes from Barber & Ellis?—Yes. As soon as we got an order from the Printer, it was our duty to send it, whether for 100, 500, or 1,000.

By Mr. Lister :

607. As a matter of fact you cannot remember whether any order was given that day or not?—It might be so. It would not be essential in any case, because where there was an order it went through the mail.

608. Then Barber & Ellis would hold no acknowledgment from you of any kind or description, showing your indebtedness to them except the \$100 promissory note?—That is right, sir.

609. Then you swear here to the Committee that the only payments ever made by Barber & Ellis to you, were these two payments of \$100 each?—Well, I do not think there is anything very much more, sir, than that.

By the Chairman :

610. Did not you say you got some advances from them last year?—Oh, yes.

By Mr. Lister :

611. What were the advances last year?—Principally of a small character.

612. You got \$200 in one year. How much was it in 1890?—Principally of a small character.

613. How much was it?—\$200.

614. Did you give any promissory note for that?—No; I do not think so.

615. And you do not feel called upon to pay that \$200 borrowed in 1890?—If they insist upon the payment it will be made if I am able to do it.

616. If they insist upon it, it will be paid?—It was purely a personal transaction.

617. They have never insisted upon it being paid so far?—No.

618. They have never said anything about it?—No.

619. That payment in 1890 was it for the same purpose?—Exactly the same purpose.

620. It was for life insurance and sending your family to the sea. In 1889, I think you went into the Department?—In 1888, sir.

621. That was your first year?—Yes, sir.

622. You received from Barber & Ellis, the first year \$200, and the second year \$200? I understand you were there from 1888?—From January, 1888.

623. Did you get anything in 1888?—No, sir.

624. Will you swear you did not?—I think I may swear I did not.

625. Are you positive about it?—I think I may safely swear I did not.

626. So you went in July, 1888, into the Department?—No, 1st of January, 1888.

627. So you were there just three years, up to 1st January 1891?—Yes, sir.

628. And you think you can safely say you received nothing from Barber & Ellis in 1888?—To the best of my recollection, no.

629. Have you told us all the moneys that you received from Barber & Ellis?—Yes.

630. All that you have received, you have told the committee?—I have.

631. Have you, since you have been in the Department received commissions from people?—No.

632. You swear to that?—I do.

633. There was a \$70 or \$80 transaction with a Montreal concern?—Yes.

634. With the exception of those three transactions, you say you have never received any money in the nature of a commission, or as a personal transaction, as you put it?—Not that I remember just now, sir.

635. Do you remember sending to New York for a transit for one of the Departments?—Yes.

636. Do you remember receiving a commission upon that purchase?—No, I do not.

637. You swear you did not?—I do.

638. Was there not a cheque sent to you for commission?—No.

639. There was not?—No, sir.

640. Do you use, in your Department, artists' material?—Yes.

641. Do you keep it in stock?—Yes.

642. Where do you buy it?—We buy it in New York and London.

643. Do you buy it in Chicago?—No.

644. You never buy it in Chicago?—No.

645. Did you ever receive a commission on artists' material purchased?—No.

646. You swear to that?—I swear to it.

647. Then you have told us here to-day, of all the moneys that you have received from people from whom the Department purchased goods?—So far as I know, now—yes.

648. Remember, I am not applying it as commission, or any other way, so long as the money was received from anybody dealing with the Department?—It is all right, sir.

649. You understand the question fully?—If there was anything else I would tell you.

650. So far as you know now you have told us everything you have received?—There is no instance, and I reiterate it again, in no instance have I been remiss in my duty to the Government.

651. I am not charging that?—I am willing my action should be looked into by anybody to see whether these goods could be purchased better.

By Mr. Chapleau :

652. What is the amount of goods you purchase in the Stationery Department, yearly?—About \$199,000, sir.

653. About \$200,000?—Yes.

654. Did you ever, with the exception of some \$70 you have mentioned, ask, or receive commission on goods sold?—No, sir.

655. Have you ever made any increase in prices, excepting the prices that were adopted and agreed upon in the Department, for the purchase of articles?—No, sir, and I would add to my answer that if there is the slightest doubt about it—that I have been a party to raising the prices, or buying at other than the lowest and the closest market figure—I would ask that the party should be produced.

656. Now Mr. Bronskill, have you ever acknowledged a receipt of goods from which a certain portion would have been deducted—that is giving receipts for the delivery of goods that would be short?—No, sir.

657. I do not understand very well from what you say, the facts about the small amount you mention which was given to you, or sent to you by the parties you have indicated—was this asked by you from McFarlane, or their representative, or was it a commission charged?—It was simply a commission which they were in the habit of paying—which they were in the habit of remitting to parties purchasing from them. I may tell you that it is a very common occurrence in commercial life that people who are buying have small amounts allowed to them. I do not think that this is any exception to the rule, I am in a position to say this—that in the case of this other matter it was purely and simply a business transaction entirely in the nature of a private transaction. The goods were simply purchased at the lowest possible figures, we were never in the habit of allowing discount upon this account at all.

658. You have bought from Barber and Ellis during the past year \$19,490.76 worth of envelopes alone?—That is a rough estimate, but near enough for a general estimate.

659. Now let us come to something in the Department besides that. You say that there is a contract with Mr. Rolland which began during the time of your predecessor, Mr. Young, who is now dead?—Yes.

660. Do you know the time that contract lasted—the time it was renewed?—It was renewed during this year.

661. Was it renewed by the proper authority—that is by the Minister—or how has it been renewed?—I understand that there was an Order in Council.

662. It was renewed by a regular contract under an Order in Council which had been passed?—Yes.

663. The system that has been adopted in the Department, so far as the stationery is concerned, is it American or English?—It is the English system. That is in respect to the stationery supplied.

664. I think you have communicated with the stationery office in England to get information as to the best method of dealing in this respect?—I have not done so.

665. But communications were made and the system adopted?—Yes.

666. Were they made by the Queen's Printer?—Yes.

667. I mean by the Department?—Yes.

668. Will you explain if there is any superiority in that method or system, and say what the advantage for the public has been as compared with what has been done before?—So far as the English system is concerned, they buy certain articles; they have a list of them, and these articles are supplied to the different Departments, and the consequence is that by purchasing certain quantities they know exactly what they want and what they do not want.

669. They know what they want?—Yes.

670. They know what they want to get, they know what the supply will be; they do not take into the department articles that are not required and that may be put in stock and thus become depreciated in value?—Yes, there is very much less chance of there being old and useless stock.

671. And they can control their purchases very much better by knowing exactly what they want?—Yes.

672. So that it is not left to your choice, but more or less submitted by the Departments and adopted by Order in Council?—Yes. The Order in Council states that certain goods have to be supplied, and the list of goods is got from the Department, and the order is made from that list.

673. Do you state upon your oath that when these advances were made by the representatives of Barber & Ellis to you, they were strictly made in the shape of private transactions for which you held yourself responsible to them?—Yes; I say most emphatically it was a pure matter between us, and has no more connection with anything else than you have.

674. Did it make any difference as regards the duties of the office?—No, on my conscience, I have not the slightest doubt about that. It never interfered with my efficiency as an officer, or my integrity as a man.

675. There is only one case where you obtained these advances?—Yes, this particular case.

By Mr. Foster :

676. You got this advance from Mr. Perrett?—I did.

677. Did you know Mr. Perrett before you came here?—I did not. I would like to say that there are a large number of people who come to see us on business every day, and naturally we get acquainted with them, we get to know them. They are naturally hospitably inclined and would ask me to go to the hotel just as one would ask you to go to his own house. There is a certain degree of familiarity and intimacy springs up, and you cannot by any means stop this, I do not think that you ought to do so. If you do not show some consideration to these people you perhaps make the Department suffer. They are not to be looked upon in the light of bribers surely, that would be a hard thing to say.

678. In answer to my question, you say that you did not know Mr. Perrett until 1888?—No.

679. He was not an intimate friend of your family?—No.

By Sir Richard Cartwright :

680. If my memory serves me right you stated in your evidence to Mr. Lister that you received a commission from a Montreal House of the name of McFarlane & Austin?—Yes.

681. I think you also stated that the amount of that transaction was under \$1,000?—Yes, I believe so.

682. And that you received from \$70 to \$80?—Yes.

683. Now is not \$70 or \$80 rather a handsome commission for a transaction under \$1,000?—No, I do not think it is out of the way.

684. What amount do you allow—about 8 per cent or 9 per cent?—No.

685. You stated the transaction was under \$1,000?—That amount, as a matter of fact, was for two years and not for one year. There was only one purchase.

By Mr. Lister :

686. But there are two payments?—Yes. The commission never exceeds 5 per cent in any case, and it does not amount to that on all transactions.

By Mr. Bowell :

687. I understand you to say that Messrs. McFarlane & Austin would furnish you when you wanted small orders?—Yes, they are a jobbing house, and when we run short of stock we send down there and they supply us.

688. Then it is not McFarlane of the Canada Paper Co. that you refer to?—No.

689. It is a small concern—a jobbing house?—Yes. As a matter of fact they carry a larger miscellaneous stock than anybody else, and sometimes they have things that we cannot get from anybody else.

By Mr. Lister :

690. You said a moment ago that the commission never exceeded 5 per cent?—Not always that. Some of the goods were job lots.

691. You say that the commission never exceeded 5 per cent, and not always that?—Yes.

692. What do you mean by that—is the commission paid on the purchase?—No.

693. What do you mean by that answer, that the commission never exceeded 5 per cent?—On anything upon which a commission was allowed.

694. You have told us that a commission was never allowed?—No; pardon me.

695. Except in the case of McFarlane?—I am dealing strictly with his account.

696. Were there other cases in which a commission was allowed?—No.

By Mr. Somerville :

697. Where were you employed before you went into the Department?—In Ottawa and the *Gazette* Office.

698. Which *Gazette* Office?—Montreal.

699. And before that?—The *Ottawa Free Press* here. I might say, now, and it should be put in evidence that so far as that transit matter was concerned, about which you spoke, I am as certain as I am speaking to you now, that there was no commission about it. In fact, we fought, and fought and fought, as to whether the purchase money should not be returned. The transit was ordered from Stackpole Bros. by the Public Works Department. It was cash on delivery. It was ordered for the agent at Coteau Landing.

700. Did you write to them asking them how much commission they would allow?—No; I wrote to them asking them how much discount they would allow. There was a transit level wanted, and I wanted to know whether it could be purchased from them by our general agents in New York. I wrote to our general agents in New York at the same time.

By Mr. Bergeron :

701. Did you write to Mr. Lister about this matter?—No; somebody did though.

702. Do you know who it was?—I do not.

J. T. JOHNSTON, called, sworn and examined:—

By Mr. Lister :

703. Where do you carry on business?—Toronto.

704. What is your business?—The Toronto Type Foundry.

705. Is it an incorporated company or a proprietary concern?—I am the proprietor.

706. Manufacturing type, or selling on commission?—Manufacturing, and selling on commission generally for other type founders.

707. What type companies are you agent for?—All the American type foundries.

708. Could you name one of them?—Mard, Lewis & Co., Chicago. They are are my principal company, but I have all the others: Farmer, Little & Co., and James Connors & Son of New York.

709. You are general agent?—Yes; we are all agents one for another. It is the custom of the trade.

710. You carry on business in Toronto?—Yes.

711. I believe you furnish to the Government a considerable quantity of type?—Not a very large quantity I thought.

712. How much was it?—I do not remember.

713. \$10,000 worth?—I fancy somewhere there. Probably a little more—not all type, but various things connected with the printing business.

714. With whom did you negotiate for the purchase of the stuff?—Mr. Senecal.

715. What position does he occupy?—I believe he is Superintendent of the Printing Bureau.

716. Did your account run on from time to time or was it one order?—Several orders.

717. Do you think that the orders in all would amount to \$10,000?—Yes, or better. I do not remember the amount. I did not look it up.

718. Did you meet Mr. Senecal in Toronto, or how did you negotiate?—I called here to endeavour to get business.

719. Did you subsequently meet him in Toronto?—Several times.

720. One time particularly do you remember?—I do not remember one time particularly. He was there many times.

721. How much money did you pay him as a commission or a personal matter?—I should think you would be interested in finding out the value of the goods.

722. I have no doubt you sold the goods at the lowest value?—I made no arrangement with Mr. Senecal to pay him \$1 commission.

723. Before you sold you say there was no talk about commission?—None at all.

724. No mention of it?—Never made any such arrangement with him.

725. No mention?—No mention.

726. By you or he?—By either of us.

727. How much did you pay him?—In the way of a commission?

728. Yes?—None at all.

729. How much did you pay him?—That is my affair. I do not see that I am called upon to say what I did with my money.

730. Did you pay him any money?—I paid him no commission.

731. I won't put it in the way of commission. Did you pay Mr. Senecal any money?—I decline to answer.

THE CHAIRMAN.—I think the witness must answer that question.

732. Have you had any other transactions outside of your deal respecting the the Printing Bureau?—With Mr. Senecal? We have been very good friends.

733. I know that. Do I understand you to say that you had no deal with him except the Printing Bureau deal, financially?—The Printing Bureau deal was not a financial deal; it was a business transaction. I have not had any other business transactions with Mr. Senecal except what I sold to the Printing Bureau.

734. I ask you again, now, whether you paid to Mr. Senecal any money before or after the sale of the stuff to the Printing Bureau?

Mr. CHAPLEAU objected.

735. I ask you again, whether before or after the purchases by the Department through Mr. Senecal, you paid to Mr. Senecal or anybody else in the Department, any sum of money, either as a present, a loan or a commission, or in any other way you can think?—Not as a commission.

736. In any other way?—I do not care to answer that question. I consider it is an affair entirely with myself. Every business man is inclined to be just the least bit liberal to any man who gives him a good sized order, and may do something that looks to you gentlemen as serious.

The CHAIRMAN—You must answer the question.

WITNESS—I prefer you should get your information in some other way, with all due deference.

The CHAIRMAN—You must answer the question as put to you.

WITNESS—If anybody knows that I gave him any money let them produce the evidence of it.

The CHAIRMAN—The question must be answered.

WITNESS—Why don't you bring somebody else? I think I have answered the question.

The question asked by Mr. Lister was read to the witness by the stenographer.

WITNESS—My answer is, not as a commission.

737. As a present or loan or any other way?—I think this is a private matter entirely in connection with my own affairs. I think if I choose to make you a present, Mr. Lister, if I were inclined to, I might do so without it being enquired into.

738. That depends on whether I am a public official?—It would be the same to me. My money is my own.

The CHAIRMAN—You must answer the questions as put to you.

Question re-read to witness.

I do not think it is a fair question between man and man; it is not a fair question to put.

Mr. BOWELL—If Mr. Johnston refuse to answer we shall have to move that he be reported to the House.

Mr. FOSTER—I think Mr. Johnston will answer before that. That would only delay the proceedings as the answer will have to be given.

Mr. LISTER—You are making a big matter out of possibly a small one.

WITNESS—Quite so. As this is really the beginning of the investigation, why not call me a little later.

The CHAIRMAN—It is your duty to answer the question Mr. Johnston.

WITNESS—I have answered the question by saying it is my own affair what I do with my own money.

Mr. BERGIN—The witness is trifling with the Committee.

Mr. BOWELL—Rather than delay this matter any further, I move that Mr. Johnston be reported to the House for having refused to answer the question.

Mr. BERGIN—I second the motion

The CHAIRMAN—again read the question to the witness and requested an answer.

WITNESS—I say—not as a commission. I think it would be fair and reasonable for the Committee to allow me under the circumstances to consult my counsel in the matter. I think it is a matter on which there is a difference of opinion.

Mr. LISTER—I am anxious to give you every chance; stand aside for the present.

Mr. BERGIN—I think the witness should be compelled to answer the question now, and if he does not answer he should be reported to the House. Mr. Johnston had ample notice that he would be called to give evidence and as a business man he knew whether he should consult counsel or not?

WITNESS—Permit me to explain that I intended to consult counsel in this city this morning, but the train from Toronto was late, which is a most unusual thing; I did not arrive until 9 o'clock, and I had to get my breakfast and be here by 10 o'clock, so that I had no time to consult counsel.

Mr. BOWELL—I will withdraw my motion for the present.

The CHAIRMAN thereupon gave Mr. Johnston permission to retire for one hour to enable him to consult his counsel in the meantime.

JOHN HUGHES called, sworn and examined :

By Mr. Lister :

739. What position do you occupy in the Department?—3rd-class clerk.

740. What are your duties?—My duties are to examine papers when they come in, to check them off, and to bring samples to Mr. Bronskill so that he can judge as to the qualities.

741. So that all you have to do is to see that the quantity is there?—That is all.

742. You take the samples to Mr. Bronskill and if the paper corresponds with the order, it is taken into stock?—Yes.

By the Chairman :

743. Had you a copy of the invoice to check the goods with?—Yes; I check off the goods, and if they are all right I stamp the invoice.

By Mr. Lister :

744. You check off the goods by comparing the goods with the invoice?—Yes, sir.

745. And after checking them off do you put on a certificate "Checked by J. Hughes," as appears in these exhibits?—Yes.

746. Then your duty is to see that the goods correspond in quantity with the invoice?—Yes, sir.

747. And Mr. Bronskill's duty is to see that the quality corresponds with the sample?—Yes; that the quality corresponds with the sample.

748. You being satisfied as to the quantity, and Mr. Bronskill having informed you as to the quality, you stamp it off in this way, "Checked by J. Hughes?"—Yes, sir.

749. Is that the custom and practice of the Department?—Yes, sir; it has been for a number of years.

750. Do you recollect one single instance in the last three years where that practice has been deviated from?—To my memory I do not remember. I know of a case where the paper has not been up to the standard, and the invoice has been laying in abeyance for perhaps two months until the matter was disposed of.

751. How many cases of that kind do you remember?—I think about two.

752. What were they?—One case, I remember, was goods supplied by the Canada Paper Company. It was held over for a week or ten days, but they were finally "checked" by me.

753. Do you remember a single case in the Department where you did not "check" the goods?—I have heard of one, but I could not recollect about it.

754. What was that?—It was a supply of paper from the New England Paper Company.

755. Look at that account (Exhibit No. 1)?—My stamp is not on that.

756. Why was it not stamped by you according to the practice of your Department?—I cannot say, sir. The only thing I can say is, that it may have occurred that the paper has not been up to the standard.

757. If the paper had gone into stock, should it not have been stamped by you?—Not necessarily.

758. Is there another case in which you know that the stamp was not put on the invoice in this way?—Not that I am aware of.

759. The practice of your Department is to have the invoice stamped by you and to see that the goods have been received?—Yes; to have it stamped to show that the goods have passed through my hands.

760. If the invoice is not stamped by you, would the inference be that the goods were not received?—It might be in this way. I receive the goods of the Paper Company, and the paper not being up to the standard that was required, and not according to the samples, I would take the invoice to Mr. Bronskill.

761. Then you would cheque it when it was taken in stock?—Yes.

762. It would be merely in suspense for some time?—Yes.

763. And when the Department decided to take the goods they would be checked by you?—Yes; that would be the usual practice.

764. Can you undertake to say that the goods ever went into stock?—Yes; they went into stock.

765. Why did you not stamp the account?—That I cannot say.

766. Is there any reason at all in your mind, or can you remember why that invoice was not stamped when it was decided to take the goods into stock?—I have no idea.

767. You have no recollection?—I have no recollection of Mr. Bronskill returning the invoice to me at all; but I have a distinct recollection of the paper coming in.

768. Were you ever asked to stamp this?—No; not to my knowledge.

769. Did you ever ask to stamp it yourself?—No, sir.

770. This paper stayed for some time, I believe?—Well, the paper was in our possession for some time before it was used.

771. For what reason?—I do not know.

772. Is there any book in the Department showing it was taken into stock?—Yes.

773. Was it made up, do you know?—I suppose it was made up.

774. It was not made up by you?—No.

By Mr. Chapleau :

775. To the best of your recollection you say that the invoice was brought to you with the paper?—With the samples.

776. And there was a discussion regarding the samples, and you gave the invoice to Mr. Bronskill?—I suppose that must have been the way.

777. You see his writing there in his note—that is his handwriting?—Yes; that is Mr. Bronskill's handwriting.

778. And the inference is that you gave him the invoice and he has not returned it?—Yes.

779. If he had returned it, it would have been stamped?—I suppose so.

780. Will you swear positively that this paper was taken into stock?—Yes.

By Mr. Landerkin :

781. How did you know the paper came into stock?—I have taken it and sent it up for the different orders for which it was required.

782. Are you sure of the quantity?—I am fairly sure. I gauged it up within a few quires of the quantities.

783. But you did not take it in the usual way?—No.

784. And why did you not?—I cannot really account for it. I have checked all the invoices coming through my hands, and in this case I cannot say why I did not check it.

By the Chairman :

785. You are sure that this was the identical paper?—Yes.

By Mr. McMullen :

786. The Secretary of State suggested that you might have sent the invoices with the samples? Do you often do that?—No.

787. And if you do not check the stock taken in, the samples would go to Mr. Bronskill?—Yes.

788. And they are returned?—Mr. Bronskill generally returns the samples at once, and I receive them.

789. Did he do that in connection with this transaction?—This is so long ago I really do not know.

Mr. BRONSKILL.—This invoice came to me with the sample of the paper. The paper was not in accordance with the sample, and I kept the invoice and put it in my basket, and it remained there until such time as the requisite authority for taking the paper into stock was obtained, then afterwards it was approved. It was not given back to Mr. Hughes, because there was no necessity for doing so. I knew that it had come, and it simply lay in abeyance. As soon as I got the Secretary of State's authority it was attached to the voucher, and there it remained.

Miss A. M. PARENT called, sworn and examined:

By Mr. Lister:

790. Where do you live?—In Montreal.

791. In what business are you?—I am a book-keeper.

792. For whom?—For the New England Paper Company.

793. How long have you held that position, Miss Parent?—For four years.

794. I suppose this is the account of the New England Paper Company?—Yes.

795. Both of these accounts?—Yes.

796. This account for the Department of Public Printing and Stationery for paper, \$1,074.15, was made out by you?—Yes.

797. You were the book-keeper for the company at the time it was rendered?—Yes.

798. And you were book-keeper at the time it was paid?—Yes.

799. You know Mr. Berthiaume of *La Presse*, Montreal?—Yes.

800. Do you know whether the "New England Paper Company" held his promissory notes for an amount?—Well there was some private business for *La Presse*?

801. In the shape of promissory notes?—Yes.

802. The company furnished *La Presse* with paper?—that is the newspaper?—Yes.

803. And he became indebted to the company for the paper so supplied?—Yes.

804. To the amount of \$10,000?—Yes.

805. You remember getting the money for this account?—Yes, I do.

806. Was it promissory notes that the Paper Company held from *La Presse* or any portion of it?—Yes. The money due by *La Presse* for the "New England Company" some of it was promissory notes.

807. The notes were made by whom?—By Mr. Berthiaume.

808. The editor of *La Presse*?—Yes.

809. Endorsed by any body?—Yes.

810. By whom?—By the Hon. J. A. Chapleau.

811. How much were they do you remember?—They were \$8,831 at the time they made the settlement with *La Presse*.

812. Now Miss Parent, I want to ask you one more question. Can you say whether any portion of this money received from the Government was applied on account of these notes or any of them?—No—none of it.

813. There was no payment made to Mr. Berthiaume?—No, not a cent.

814. Out of this or anything else?—No. Not a cent was ever paid to Mr. Berthiaume?

815. Nor anything credited on these notes?—Not a cent.

816. Not a cent credited on the notes?—No.

817. Was any allowance made to him?—No, never.

818. Have you examined the books and accounts lately?—No, of course, I have looked into them.

819. Was there any credit in these books?—No, there was never any credit.

By Mr. Bergeron :

820. Do you know as a matter of fact that Mr. Berthiaume has paid all the notes that he owed to the company?—Yes, every cent of them.

By Mr. Lister :

821. Were these notes charged to Mr. Berthiaume in the books?—Yes, they were charged to "*La Presse*, T. Berthiaume, editor."

822. That is the way they were charged?—Yes.

823. And there was no credit to him at all on this account?—No; that was not mixed at all with it.

824. There was no commission?—There was not a cent of commission paid to anybody on the amount.

825. You know the agreement made between Mr. Berthiaume and the New England Paper Company?—Yes.

826. There was never a cent paid on these notes in connection with the transaction I have inquired about?—No.

827. They were paid in full?—Yes.

828. Irrespective of anything that might be coming from this?—Yes.

ANDRE SENECAL, called, sworn and examined:—

By Mr. Lister :

829. What position do you occupy in the Government?—I am Superintendent of the Printing Bureau.

830. What is your salary?—Now; my salary is \$1,950.

831. How long have you been employed in connection with the Bureau?—For four years.

832. Since the buildings were commenced?—Yes, when they commenced to build.

833. Had you more or less work to do in connection with the purchase of type and presses and all the plant required for the establishment?—Yes; I am the man who bought the whole material.

834. You seem to have bought a good deal of it in the States?—Yes, sir, quite an amount.

835. I believe you applied to Hoe & Company about presses?—Yes.

836. Who was with you on that occasion?—I think I was alone.

837. You swear nobody went with you?—I think nobody went with me.

838. Who did you see?—I think I saw a man representing the firm, named Carpenter.

839. Did you see Hoe & Company on more than one occasion?—I think I saw that gentleman twice.

840. You did not buy the presses from Hoe & Company?—No.

841. What other company did you buy from?—The Potter Co.

842. Also of New York?—Yes.

843. And the presses were purchased at what prices?—I do not exactly remember now.

844. \$40,257?—Something in that neighbourhood. I thought it was \$39,000. I am not sure.

845. Have you bought any presses since?—No, sir.

846. How many did you buy from Potter & Co.?—I bought sixteen presses.

847. You also purchased the type?—Yes.

848. And in fact, everything that is in the Printing Bureau?—Yes.

849. You bought type from Mr. Patterson of Toronto?—Yes.

850. He was agent for what company?—Miller & Richards.

851. Where do they do business?—In Edinburgh, Scotland.

852. \$66,542.36—that is the total amount of type bought from them?—I do not know the amount.

853. You bought in 1887, \$37,000; in 1888-89, \$27,000; in 1890, \$767, and in 1890-91, \$1,000, amounting all to \$66,542. Would that be about accurate?—I think so.

854. Have you bought anything from Miller & Richards since?—I do not think we bought much since. Only a few sorts of type.

855. How much commission did they pay you?—Commission?

856. Yes?—They never paid me any commission at all.

857. How much money did you receive from either Miller & Richards, or from R. L. Patterson?—I never received any money from Miller & Richards.

858. How much did you receive from R. L. Patterson, their agent?—I did not receive anything from Mr. Patterson, on account of the sales or any transaction.

859. I am not asking you about that. I simply want to know how much money you received, either at the time of the purchase or before it, or since, from Mr. Patterson, let it be of any kind you like to put?—I never received any money when I bought a thing, and there was no promise or anything of the kind.

860. There was no promise when you bought and there was nothing of the kind?—No.

861. How much did you receive when you bought from Mr. Patterson?—That I cannot tell.

862. Did you receive any money?—That I cannot answer.

863. What?—I cannot answer to that. I say, I never received any money from Mr. Patterson, on account of my transactions between the Miller & Richards Co.

864. I want to know whether you received any money from Mr. Patterson, when you made your purchases? I do not care upon what account it was paid?—Well, I decline to answer that, that is a private matter. That is a matter, supposing I would have received money, I do not think it is fair to answer that.

865. You have seen Mr. Johnston, within the last few minutes, have you not?—I saw him here.

866. And you went out with him, did you not?—No, sir.

867. Did you not see him?—I saw him.

868. You were talking to him?—I was talking to him in the corridor.

869. About this matter?—No, sir.

870. Not about this evidence?—I just met him.

871. You had no conversation with him?—No, sir.

872. Then, how much did you receive from Mr. Patterson, either as a loan, a present, a commission, or anything else; if you like to put it as a gift, or anything else?—Well, I do not think I am bound to answer that question.

The CHAIRMAN.—You have to answer the question, Mr. Sénécal, but you can make any explanation you chose afterwards. The other witnesses have been asked similar questions and the Committee have decided these questions must be answered.

The WITNESS.—The question is, if I received money from Mr. Patterson?

Mr. LISTER—Yes?—Sometimes I did get money from Mr. Patterson. He is an old friend of mine, but there is no question about any consideration for the purchase.

873. How much money did you receive from him?—I cannot tell.

874. How often did you receive money from him?—I cannot tell that, I do not remember.

875. Have you received \$5,000 from him?—Oh no, sir.

876. You swear to that?—Yes, sir.

877. Have you received \$4,000?—I do not know the amount, I never kept any track.

878. How long had you been purchasing from Mr. Patterson, or from Miller & Richards through Mr. Patterson, before he made you the first loan, as we will call it?—I do not remember.

879. Has he paid you any money from time to time, during the past four years?—Well, I cannot tell. He gave me some money now and then, but I do not remember in what year, and I could not tell.

880. He gave you some money now and then, but you cannot tell?—No.
881. How many payments did he make to you?—I do not know.
882. Five, six or seven?—I do not remember.
883. What was the largest sum he ever gave you at one time?—I cannot tell.
884. Did he ever give you \$1,000 in one payment?—That I do not remember at all; I do not think so.
885. Will you swear that in the past four years, he has not paid you, at least \$5,000?—No, sir.
886. You won't swear to that?—I say I will swear, I do not think and I am sure, I did not receive that, but I cannot remember; I never kept any account.
887. Do you remember where he paid you this money or any of it?—I do not.
888. Did he pay it to you in your own office?—No, I do not think it.
889. You swear he never paid it to you in your office?—No.
890. Did he pay it to you in Ottawa?—That I cannot tell.
891. Did he pay it or any of it to you in Toronto?—I think so.
892. How much?—I do not know.
893. \$1,000?—I do not know.
894. More?—I do not remember the amount he gave me.
895. Will you swear it was not as much as \$1,000?—I cannot swear to the amount at all, because I do not remember it.
896. How long was it after you bought this \$66,000 worth of stuff that he made you the first payment?—I can hardly tell.
897. Miller & Richard, \$37,117, was the first order. At the time you gave that order or shortly afterwards, did he not pay you a sum of money?—I do not remember that, because this is the total amount, but he got paid by small payments.
898. You cannot tell us how much he paid you in Toronto?—No, sir, I cannot.
899. You cannot tell us where the payments were made?—Well, as I told you, I think there was some made in Toronto.
900. And where were the rest made?—I do not remember.
901. There was some made in Toronto, but you do not remember where the others were made?—No.
902. You swear you did not get \$1,000 or more, in Toronto, in one payment?—I could not swear to that because I do not remember.
903. Did you give him promissory notes for the money you got from him?—No, sir.
904. Some of the money was given four years ago?—I think so.
905. How much of it would be four years ago, a quarter or a fifth?—I do not remember the amounts, so it is hard for me to tell.
906. Was anybody present when he paid you the moneys?—No, sir, I do not remember.
907. There was nobody present?—No.
908. Did you give him any writing at all to show that you had got money from him?—I do not think so.
909. Did he ask you for a promissory note?—No, sir.
910. Did you tell him you wanted to borrow money from him?—That I do not know. I think I borrowed money from him, if I remember well, in some instances.
911. How much do you think you borrowed from him?—I think \$25 sometimes, and \$10.
912. Did you give him any note for that, or ever pay it back?—Yes, sir.
913. Which was it the \$20 or the \$10?—I do not remember exactly the amounts. Sometimes I was short of money when I was there, and sometimes when he was short of money here, he would come to me and say: "give me \$10."
914. Then you think you paid back these little borrowings?—Yes, sir, I think so.
915. But the large amounts you have never given any notes for?—Not to my knowledge.

916. You would remember, of course if you had given a note?—Has he not ever written to you demanding payment of these four or five thousand dollars from you?—I never said he gave me \$3,000 or \$4,000; I never said anything of the kind. I said I had some money from Mr. Patterson, that is all.

917. I ask you to tell this Committee how much money you received from Mr. Patterson during the past four years?—As I told you before I do not remember the amounts.

918. Would it be \$3,000?—That I cannot tell, no more than \$10 or \$25. I do not remember the amounts, but I know it was small amounts.

919. Did he not give you \$5,000?—No, sir.

920. You are positive about that?—I am positive about that.

921. Well how is it you are not positive as to the lesser amounts?—The amount is so large. It is easier to notice and remember \$5,000 than \$25.

922. Would it be \$3,000?—I do not say anything, I do not remember.

923. To the best of your judgment would it be \$3,000? What is your recollection?—No, there was nothing of the kind, I do not remember the amount, but I am sure there was no \$3,000.

924. What was the biggest payment he ever made to you at one time?—I do not recollect it.

925. Would it be \$5,000?—I do not remember at all.

926. Did you keep all the money he gave you yourself? Did you divide it up with anybody?—I kept it myself.

927. So, that, what your undertake to say to this committee is, you cannot tell whether the amount you received from Patterson was \$3,000 or not?—No sir, I cannot.

928. You kept no account of it?—No.

929. You do not know when the first payment was made, and you do not know when the last payment was made?—No, sir, I do not.

930. You have given no promissory notes?—No, sir.

931. You gave no acknowledgement of any kind?—I do not remember that at all.

932. He has never asked you for the money?—No, sir.

933. And it has been spread over 4 years?—Well, spread over about 4 years from the beginning.

934. When did he give you the last money?—I do not remember that at all.

935. Would it be a few months ago?—Oh no.

936. Would it be a year ago?—It is pretty hard for me to remember that; the first two years, I think he gave me money.

937. How much?—I cannot tell.

938. You cannot guess?—I cannot guess.

939. You cannot form any opinion at all?—No.

By the Chairman :

940. Was it under or over \$1,000?—It is under \$1,000 sure.

By Mr. Lister :

941. The first two years it was under \$1,000?—No, I do not say the first two years.

942. The first time?—I do not recollect.

943. You said it was under \$1,000 to the Chairman?—I said I never received any such big amount.

944. When he asked you if it was under \$1,000 you said it was under that amount?—Of course, \$25.

945. We are not talking about \$25 but about larger payments?—I said I do not remember that; I did not receive any thousand or five hundred.

946. How much did you receive?—I cannot tell you, as I never kept any account.

947. Did you ever receive \$3,000?—I am not positive about that.
948. You cannot say whether the total amount you received was \$3,000 or not?—I cannot remember.
949. Will you swear it was not \$4,000?—I cannot, because I do not recollect.
950. Will you swear it was not \$5,000 you got altogether?—No, sir, I cannot.
951. You also bought from Mr. Johnston?—Yes, sir.
952. What sort of a present did Mr. Johnston make to you?—He never made me any present.
953. Did he give you any money?—He gave me some money now and then when I was short of money, but not on this.
954. Of course, not on this. But I want to know how much money he gave?—I do not remember.
955. Would it be \$500?—That I cannot tell. Really I do not remember that. It was just merely amounts of \$10, \$15 or \$25 at times, sometimes more.
956. You say to this committee, you are not able to give even an approximate idea of the amount you got from Mr. Johnston?—No, sir, I cannot.
957. How long has Johnston been paying you money?—I do not remember that.
958. Four years?—I do not remember the date he gave it to me.
959. Has it been spread over 4 years?—No.
960. How many years would it be spread over?—It was in the beginning I think when I gave him some orders—it was after that.
961. How long after that would it be?—5 or 6 months or a year.
962. Was it not very shortly after?—No.
963. Did you go and ask him for the money?—Yes, sir, I did.
964. Where?—At his own place.
965. In Toronto?—Yes.
966. How much did you ask him for?—I do not remember the amount, but I told him I was short of money and he would oblige me by giving me some money.
967. Was that a large payment?—No, sir.
968. What was the largest payment you got from him?—That I cannot tell.
969. Did you ever get \$100 at one time?—That I cannot tell.
970. Did you ever get \$200 at one time?—I do not think I did.
971. Were all the payments made to you in Toronto?—That I cannot tell.
972. You swear you do not remember?—No, sir.
973. Were not some of them made in Ottawa?—They might, but I do not recollect.
974. You never gave a promissory note for any of these payments?—No, sir.
975. You never gave any acknowledgment at all?—No, sir.
976. And he has never asked you to pay him back?—No, sir.
977. And you have never sent him a note?—Never.
978. And you never made any payments to him on account?—That I do not recollect.
979. Will you swear to this committee that you did not receive as much as \$1,500?—I could not swear to that amount; I have got no idea of the amount he gave me.
980. You expected to pay it back, of course?—That is my own business.
981. Did you or did you not?—I do not know; it might be, when the time will come.
982. Well, the time has not come yet, Mr. Senecal, evidently?—No; not yet.
983. You never kept an account of all the money you received?—No, sir.
984. No account at all?—No.
985. And you cannot tell this committee, cannot give any idea how much you received, whether \$1,000, or \$1,500, or \$2,000?—I have got no idea.
986. You are in control of the Department down there, you have told us?—Yes.
987. Do you tax the workmen, or any of them, \$1 a week to keep them on?—

No.

988. No such thing has ever taken place?—No.
989. Will you swear to that?—Yes.
990. Do you know the Dominion Type Foundry at Montreal?—Yes.
991. Did you ever buy type from them?—Yes.
992. Do you remember how much?—I cannot say exactly.
993. Forty-seven thousand dollars worth altogether?—Yes.
- Mr. CHAPLEAU—\$50,000 worth.
994. And did you deal with the manager, Mr. Crosby, of the Dominion Type Foundry?—Yes.
995. Did you ever write Mr. Crosby a letter stating that you would give him a contract for supplying type for a certain commission named in the letter?—I do not remember.
996. Will you swear that you did not write such a letter?—I do not think I ever did.
997. You did not write such a letter?—I do not remember doing it.
998. How much commission, presents or money—I do not care on what line you put it—did you get from Mr. Crosby or the Dominion Type Foundry or any person on your behalf?—I never got a cent from the Dominion Type Foundry.
999. How much did you get from Mr. Crosby?—I never had a cent.
1000. Did you never borrow anything?—I think I had two or three things to meet. There was \$100, I think.
1001. Did you never get anything from the Dominion Type Foundry or any person for them?—No.
1002. Did you know a man named Smith?—No, sir.
1003. You never got any money from the Dominion Type Foundry?—No, sir; never.
1004. Nor from any person in connection with the foundry?—No.
1005. You never wrote a letter offering to give them the contract for the supply of the Bureau if you got a commission?—I don't remember that. I don't think I ever wrote such a letter.
1006. Did you deal with the Polson Iron Works?—I did.
1007. Did you ever get any money from them in any way or from their agents?—They had a contract for an engine. I may say as regards the Polsons', I never asked any commission from the Polson Company.
1008. Did you ever ask for any money, any present or gift or anything else?—Well, about two years ago or perhaps I think it may have been about a year ago, I had a little present from Mr. Polson himself—one of the firm.
1009. How much was it?—I do not remember the amount.
1010. Was it \$1,000?—No.
1011. How much—\$500?—Less than that.
1012. How much?—I cannot remember.
1013. This was about a year ago, surely you can remember somewhere near the amount—was it under \$500 or \$400 or \$300?—I do not remember.
1014. Where was this little present given to you?—Really I do not know. I think it was in Toronto. I am not sure about it.
1015. Was it in their office?—No, sir.
1016. Was it at the hotel?—I do not remember.
1017. Was it in cash?—Yes, it was in cash.
1018. You do not know where it was paid?—I know it was in Toronto, but I do not know where.
1019. Was it in big or little bills?—I cannot tell.
1020. Was it on the street he handed it to you?—I do not remember.
1021. It was only a year ago, Mr. Sénécal?—Yes, about a year ago last—
1022. I do not care about the date; I am asking you about the place.—I think it was somewhere, where we had lunch together.
1023. Where was that?—I do not remember where.
1024. Did you lunch at Mr. Polson's house?—No.

1025. You have no recollection of where the payment was made?—No.
 1026. But you are sure it was in cash and not in cheques?—Yes.
 1027. Do you know Mr. Perrett, of the Barber & Ellis Company?—Yes.
 1028. Did he ever pay you any money?—No.
 1029. Did he ever lend you any?—I do not think so.
 1030. Will you swear that he did not?—I do not remember; I do not think that he ever did.
 1031. You do not think that he ever gave you any?—No.
 1032. Did you ever get any from Mr. Barber or from Mr. Ellis?—No, sir.
 1033. Do you know Mr. Montgomery, of Montgomery & Woods?—Yes.
 1034. Did you ever get money from them in that way?—No.
 1035. They never gave you a commission nor lent you any money?—No.
 1036. Do you know what business they are in?—I have got a few things from them. They are ship chandlers, or something of that kind.
 1037. Do you know Mr. Blackhall?—Yes.
 1038. Did you ever get any money from him?—No.
 1039. Did you ever borrow any money from him?—I might have borrowed a few dollars, that is all, if I did I do not remember, but I do not think I did borrow money from Mr. Blackhall.
 1040. You do not think you did?—No sir.

Mr. J. T. JOHNSON recalled and further examined:—

By the Chairman:

1041. You were asked a question by Mr. Lister which you did not answer. I will read the shorthand writer's notes:—"Q. I ask you again whether before or after the purchase by the Department through Mr. Senécal, you paid to Mr. Senécal or anybody else in the Department any sums of money either as a present, a loan, a commission or in any other way you think of?—A. Not as commission. Q. Was it paid as a loan or gift or in any other way?—A. I think this is a private matter entirely in connection with my own affairs. I think if I chose to make you a present, Mr. Lister, if I were inclined, I might do so, without the matter being inquired into; the question being read the witness refused to say more, than "not as commission."

1042. Now, since you have heard Mr. Senécal's admission will you say anything further?—I have heard Mr. Senécal's examination, it is about as he said.

By Mr. Lister:

1043. Were you in during the whole of Mr. Senécal's examination?—I was not.

1044. Now will you tell me how much Mr. Senécal received from you?—I could not exactly tell you, I did not keep any track of the matter.

1045. I only want an approximate amount to the best of your recollection and belief?—It would be over \$1,000.

1046. Paid to him at different times?—Yes.

1047. Were the payments made in Toronto or in Ottawa, or in both places?—They were made in Toronto.

1048. They were made in Toronto?—Yes; I think possibly there might have been one of them made here.

1049. The whole amount would be over \$1,000?—Yes; I do not know the exact figure. I could not tell you how much; if I could fish it out of the books, I might be able to give it more definitely.

1050. Were they made in your office?—They were made at different places.

1051. You never took any note of them? You never intended to recover them back?—I never expected to get them back.

By Mr. Bergin :

1052. How much did the percentage on this represent?—Well, there was no question of percentage or commission about the matter. Mr. Sénécal said he was hard up, and asked me if he could have some money and I let him have some.

1053. Is that the way you usually do with customers when they tell you that?—It is the custom of the wholesale, many times to let customers have money.

By Mr. Foster :

1054. Did this transaction take place after you had supplied the material?—Yes.

1055. Was there any question as to your giving Mr. Sénécal anything, or his asking anything from you as a condition of purchase?—Not at all—nothing in the way of commission or conditional on giving the order.

1056. That is, in furnishing material for the Bureau and receiving your payment for it, you had no thought or consideration of anything that you were to give Mr. Sénécal or anybody else?—That is the way the matter stood.

1057. Your prices were all business prices?—Yes, and very low in all cases.

By Mr. Bergeron :

1058. The Government did not pay any more?—I considered I was a loser.

By the Chairman :

1059. How did the prices paid by the Government compare with the prices paid by the large Toronto dailies?—I have sold to the Government cheaper. They were large lines, and we could afford to make them a little cheaper than goods out of stock.

By Mr. Lister :

1060. The first order you appear to have taken was for \$961. That was in 1887-88. Was there any payment made at that time?—How do you mean?

1061. Have your payments spread over four years?—They were spread over—I cannot exactly tell you. It would be from the time I first received money from the Department.

1062. It appears that in 1887-88 you sold \$961.17; then in 1888-89, \$7,122.89; then in 1890 only \$140.42? I do not know, of course, what your sales for 1891 up to this time are.—We have had no orders from the Department for some time. That is in connection with plant, and they are pretty well stocked up.

1063. What payments were made before 1888-89?—I never paid him anything in advance.

1064. But your first order was in 1887-88?—Yes.

1065. You made him a payment after that?—I gave him whatever money he asked me for.

1066. It would be after that?—Yes.

1067. Would it be before you got your large order of \$7,122?—Yes, before, I think it was.

1068. Then in 1888-89 you got an order of \$7,122, and your recollection is that it would be before that large order that the money was given?—Yes, but not at all as a condition.

1069. I am not saying that.—The matter was purely voluntary on my part. I did not need to do it unless I chose.

The Committee then adjourned.

COMMITTEE ROOM,
THURSDAY, 27th August, 1891.

Committee met—Mr. Wallace in the Chair.

THE CHAIRMAN.—The first business to be taken up this morning will be the Department of Printing and Stationery. I may say that I have received a letter from Mr. Sénécal, which I will read:—

(Translation.)

“OTTAWA, 24th August, 1891.

“CLARKE WALLACE, Esq., M.P.,

“Chairman, Public Accounts Committee.

“SIR,—I have held myself at the disposal of your Committee for several weeks, contrary to the formal prescription of my doctor, in order to furnish all desirable information as to the purchases and as to the expenses of the Government Printing Office. I should have been able in one sitting to have given that information, and immediately thereafter to have taken the rest I needed. But I see that the Committee are not anxious to secure that information. I can no longer delay complying with the doctor's orders.

“It would have been easy to convince the Committee that all the contracts were honestly and scrupulously made and that no commission or advantage for myself or for others was stipulated for or taken into consideration in any of them. It would have been easy to prove that (a thing of rare occurrence) the purchases were made for the Government at lower prices than any private individual could have made them for himself. But that was not, it seems, what the Committee wanted.

“According to my understanding of the law—the Civil Service Act—as also the oath taken by the employees—forbids the receiving from the *Government* of any other remuneration than the regular salary, but it does not forbid, it cannot forbid, testimonials of esteem and of cordial relations from friend to friend, and under these circumstances the system of low spying and vile, anonymous informing, now so freely resorted to, is of no utility. But the contrary opinion seems to prevail in your Committee and elsewhere, and I have tendered my resignation.

“I have worked often—very often—late into the night to make the National Printing Office what it is, and my work will stand as my answer to the calumniators and fanatics who have sought my ruin.

“Your humble servant,
(Sgd.) “A. SENÉCAL.”

MR. CHAPLEAU.—In connection with the letter which has just been read from the Superintendent of Printing, I may say I have had no communication with Mr. Sénécal, nor even with his family, and did not even know that such a letter would be sent to the Chairman of the Committee. In justice, however, to a man who is absent, and against whom I suppose it is necessary that the ordinary proceedings should be taken to force his attendance here, I wish to state this: On the 2nd of August, Mr. Sénécal sent to the head of his Department this letter:—

“OTTAWA, 2nd August, 1891.

“HON. J. A. CHAPLEAU,
“Secretary of State.

“SIR,—I have had the honour to send you on the 29th ult., the certificate of Dr. Church ordering me immediate rest, on account of the illness of which I suffer since the grievous assault committed on my person last fall.

"I have arranged the business of my Department in view of my absence. I have waited here since fifteen days from the time you called me back from my statutory holidays.

"Your most obedient servant,
(Signed) "A. SÉNÉCAL."

The letter is dated the 2nd August. Since then Mr. Sénécal has asked for leave of absence, and his application has been referred, as generally such demands are referred, to the Treasury Board and has not been dealt with, for the very obvious reason that the Government, the Treasury Board and the Head of the Department did not want to give leave of absence under the circumstances of this enquiry. I may state that the certificate to which Mr. Sénécal alludes in that letter applying for leave of absence was this:—

"OTTAWA, 29th July, 1891.

"HON. MR. CHAPLEAU,
"Secretary of State.

"SIR,—Mr. Sénécal has returned but little improved by his too short vacation. In his present condition of health it is imperative that rest and change be secured with as little delay as is consistent with departmental requirements. Failing in this course, he places his recovery, even his life, in jeopardy.

"Yours very truly,
"C. R. CHURCH, M.D."

As I stated, that demand for leave of absence which was submitted with the certificate of the Doctor to the Treasury Board, was kept in abeyance under the present circumstances. I wish it to be well understood, as I stated before, I know nothing about the whereabouts of Mr. Sénécal. I do not want to justify his action in writing a letter, or his leaving. I only think it is just for an absent man, to state what I know to be the case, and inform the Committee about the application which had been made, and is still pending, before the Treasury Board.

Mr. LISTER.—Has his resignation been accepted?

Mr. CHAPLEAU.—It could not be, you know very well. He has been suspended, and we cannot accept a resignation under such circumstances.

A. W. CROIL called, sworn and examined:—

By Mr. Lister:

1070. Mr. Croil, where do you live?—Toronto.

1071. What is your business?—I am proprietor of the National Electrope Company of Toronto.

1072. Are you President of the Company?—No; it is my own business.

1073. I suppose you have officers? You are incorporated under the Joint Stock Companies Act?—Well, we were when we started, but not now.

1074. It is your own business, then?—Yes.

1075. Do you know Mr. Sénécal?—Yes, sir.

1076. How long have you known him?—Two or three years, I think.

1077. Have you, during the two or three years, had any business dealings with him?—Yes, sir. I have sold him some plant for a Chicago house, which I suppose were invoiced from that house. I was agent for a house in Chicago.

1078. You were agent for a house in Chicago, and sold him plant from that house?—Yes, sir.

1079. Will you tell the Committee the value of the plant supplied?—Well, I could not tell exactly.

1080. But approximatively?—Probably \$2,500.

1081. What firm in Chicago did you sell these goods for?—W. J. Ostrander.

1082. Did you, during those two, or three, or four years, sell any further goods for Ostrander or anybody else?—None, excepting my own, sir.

See who
p. 68-9

1083. And what was the value of the goods sold by you, approximately—Oh, probably \$1,500.

1084. Then are the Committee to understand that the total dealings between you and Senécal, as agent, and for yourself, during this whole time, amounted to \$4,000?—About that amount, sir.

1085. How were you first brought into contact with Mr. Senécal?—I was introduced to him by somebody, I don't remember who.

1086. In Ottawa or in Toronto?—Toronto, I think.

1087. That was your first acquaintance with him?—Yes, sir.

1088. How long was it after your introduction to him, that this order to Ostrander was given?—It might be two or three months, sir.

1089. Two or three months after?—Yes, sir.

1090. How much, if anything, did you or Ostrander give to Mr. Senécal in the way of commission, a gift, a gratuity, or any other way?—Well, I could not say, sir. He got some money from me now and again—small sums; I don't think that probably it would be more than \$150 altogether.

1091. Not more than \$150 altogether?—No, sir.

1092. Where were those payments made?—I think in Toronto.

1093. Was there anything said at all, or was there any other understanding, at the time that this order was given, or before it was filled, that Mr. Senécal should receive something?—No, sir.

1094. Nothing at all?—Nothing at all.

1095. How did you come to give him this money then?—Well, he would come in to see me and tell me he was a little hard up, and ask me for a little money, and I gave it to him.

1096. Did you take any note?—No, sir, no note.

1097. Did you make a charge against him?—No, I did not.

1098. Did you ever expect to get it back?—No.

1099. It was just a gift?—That was all, sir.

1100. It was throwing a sprat to catch a herring, I suppose?—Well, my business with the Department was very small.

1101. I see it was only \$4,000?—Well, \$4,000. I was agent for that man in Chicago, and of course he paid me commission for selling goods as his agent.

1102. Did you divide your commission?—No, sir.

1103. But you undertake to swear the amount paid Senécal during those three or four years, would not exceed \$150?—By myself, yes, sir.

1104. Those goods, I understand you to say, were for the Printing Bureau?—Yes, sir.

By Mr. Foster :

1105. What kind of goods?—They were electrotype machinery.

By Mr. Lister :

1106. You know the Potter Company of New York, I believe?—Yes, sir; I do, very well, indeed.

1107. Have you acted as their agent in Canada at all?—I have.

1108. What is the business of the Potter Company?—Making printing presses.

1109. And I suppose you know that the Printing Bureau bought some of those presses from them?—I understand they did, sir.

1110. I suppose you have seen the presses in the Bureau?—I have, yes.

1111. Were you interested in any way in the purchase of those presses. Did you go to New York?—Not in the slightest. I did not know of it.

1112. You never knew of it at all?—I never knew of it until the order was given, and the agent told me it had been given—Mr. McElroy, the representative of the Potter Press Company.

1113. McElroy lives in Toronto?—No, sir; New York.

1114. Then you knew nothing about the purchase of those presses until McElroy informed you they had been bought?—Yes, sir; that is all I know about it.

1115. And you know the presses are there?—Yes, sir.

1116. Was any commission paid to you in connection with those presses?—Not one farthing. All the business I had with them was simply at Toronto, selling presses there to whoever might want to buy them.

1117. Did you speak to Senécal about purchasing from the Potter Company?—No, sir.

1118. You never mentioned the Potter Company to Senécal?—No, sir.

1119. Do you know, or have you been informed, as to whether Senécal received any money from the Potter Company?—I have not, sir.

1120. You have never received any information?—Never.

1121. From any body?—No, sir.

1122. No person has ever told you anything about it?—No.

1123. And you never heard anything about his receiving commission?—Never, sir.

1124. And you say, moreover, that before the purchases from you, or before the purchases from the Ostrander Company, there was no arrangement you should pay Senécal commission?—No, sir.

1125. No arrangement at all?—No arrangement.

1126. What you did was simply to give him this money because he told you he was hard up?—That was all.

1127. And you say your payments, in all, amounted to about \$150?—That is all.

1128. That is all you know, nothing more?—That is all.

By Mr. Foster :

1129. As regards the prices for this plant and these articles which you sold to Mr. Senécal: Were they the usual market prices?—I think so. I have the same machinery myself. I have a large place and that is the reason I suppose Mr. Senécal came to see my place and got the same machinery. It is very good machinery.

1130. The prices were, in your opinion, as reasonable as you charge to any other buyer?—Yes.

1131. Is it your practice to loan money or give money to parties to whom you make these considerable sales?—No. Sometimes we will give a little, but it is not the custom.

1132. In giving him some money, because he was hard up, it was not the sole instance in which you have done the same?—No.

1133. That is, it was customary?—Yes.

1134. You said in your evidence that no mention of commission or presents was made before the purchase?—None at all.

1135. And it had no influence upon the prices?—Not the slightest.

By Mr. Somerville :

1136. Were the goods sold at the usual list prices?—I think so.

1137. Are you positive?—I cannot say unless I look at the list.

1138. Did you allow a discount?—No.

1139. Is it customary to allow a discount?—No.

1140. What? Not customary to allow a trade discount?—Yes.

1141. You got cash for these goods?—Yes.

1142. Did you allow a cash discount?—No.

1143. Then you did not follow the usual course?—The bills were sent in and certified to and paid. That is all I know about it.

1144. Mr. Senécal did not ask for a discount?—No.

R. L. PATTERSON, called, sworn and examined:—

By Mr. Lister :

1145. I believe you are the agent of the Miller & Richards Type Foundry of Edinburgh?—Yes.

1146. You carry on business in the city of Toronto?—Yes.

1147. I notice by a return brought down here that Miller & Richards appear to have supplied type to the Printing Bureau, up to 1890-91, to the extent of \$66,542. Was there any bill subsequent to that?—Right from the beginning of the Printing Bureau we started.

1148. From the beginning up to the present time what is your recollection of the amount?—Between \$80,000 and \$90,000 for plant and all. That would include, of course, machinery and brass goods and so on.

1149. You do not think the bill would exceed \$90,000?—It would be about that.

1150. That would be down to the present time?—Yes; to the present time.

1151. Can you make any statement to the Committee as to whether the order you received for type was a small or ordinary or large order?—It was a large order. One section of it was. That section for the Dominion Voters' Lists was unusually large.

1152. Did you understand at any time that Mr. Senécal was negotiating for the purchase of type from the Dominion Type Foundry of Montreal?—Yes.

1153. That company did not succeed in getting any order?—Yes; they got all they could fill. We only got what they could not supply. That is as far as the Dominion lists are concerned. They supplied the small pica and long primer. Their capacity was limited as compared with ours.

1154. Do you know Alfred W. Smith and Samuel Beatty, of Toronto?—Yes; I do.

1155. Were they engaged to negotiate for the contract being gotten for Miller & Richards?—Not at all. Not in any way beyond that they used their influence as far as possible to secure some portion of the order.

1156. Was there any arrangement made between you and them?—In what way?

1157. That they should be paid for their services?—None whatever.

1158. Were they ever paid for their services?—Mr. Beatty was paid. I gave him \$200.

1159. That is all Beatty ever received?—That is all he ever received.

1160. Smith never got anything?—I never paid him a dime.

1161. Do you know if he was paid anything on this account?—I do not think so. I do not know where he would get it from.

1162. He could not get it from any person except you?—Not likely.

1163. There were no \$500 notes given?—Not by me.

1164. Nor that you were aware of?—No; not to either of these people.

1165. Do you remember Mr. Senécal being in Toronto about the 17th August—this month—in your office?—Yes; I remember his last visit.

1166. Who was there besides Senécal?—I think he came in with Mr. Johnston.

1167. Do you remember what the object of his visit was?—I think I remarked at the time that I did not know what the old gentleman's business was.

1168. Did he inform you?—He did not. I could not tell you what his business was at all. I know he came in there. He often came to Toronto.

1169. Was there any conversation at all about this Printing Bureau investigation?—That would naturally come up.

1170. Was there anything said about trying to shield him?—No; nothing whatever. I told him that if I went on the stand I would have to tell the whole truth.

1171. Your business with Senécal commenced in 1887-88, I believe?—1886, I guess.

1172. Perhaps the order was given in 1886?—Yes.

1173. That order appears to have been for \$37,117.22, according to this return?—That would be a part of it, I suppose. It took some time to fill the order.

1174. Will you state to this Committee how much, if anything, you on your own behalf or as agent for any company or other person, paid to Mr. Senécal?—Mr. Senécal's statement the other day was about correct. As near as I could judge, it would be between \$4,000 and \$6,000. About \$5,000 would be about right.

1175. You won't undertake to say it was not \$6,000?—I think I could say that it was not.

1176. Did you keep any account of the payments you made to him?—No; I charged it to myself.

1177. Was there anything in these charges that would enable you to identify them as particular payments?—No; I could not identify them.

1178. Your judgment is that it would be \$5,000?—Yes.

1179. Or between that and \$6,000?—I could not say it was \$5,000. My idea is it was between \$4,000 and \$6,000.

1180. Do you remember the particulars of any of these payments—where were they made?—They were chiefly made in Toronto.

1181. Were they ever made in Ottawa?—I think there was one cheque came to Ottawa.

1182. How much was that?—It would be a couple of hundred dollars.

1183. I understand with the exception of one cheque all the payments were made in the city of Toronto?—Yes; as far as I can recollect.

1184. How would you spread these payments over? Were any made in 1887, 1888 or 1889?—Oh, yes, the old gentleman would come in and say he was hard up and wanted some money, and would get all he could.

By Mr. Foster :

1185. Was he always hard up when he came?—Pretty much, I think.

By Mr. Lister :

1186. Were these payments or any of them in considerable amounts?—I think \$500 would be the most I gave at a time. And they would run from \$500 down to \$10. He would never get less than \$10.

1187. Did Mr. Senécal tell you what he wanted to do with this money—what he wanted it for?—He gave me to understand that it was to assist him in making payments on property.

1188. Property that he had bought?—Property I think that he was buying, or that he had still got to pay for.

1189. Did he ever make you any statement about having to divide it up with anybody?—No; I always understood that he got the money himself.

1190. He never told you anything about it?—Never.

1191. Did he ever say anything to you or did you ever tell him that it was a dangerous thing to take this money?—I told him that he ought to be careful. Of course, he seemed to consider that it was a common custom.

By Mr. Wood (Brockville) :

1192. What is that about a common custom?—The custom in dealing with Governments.

By Mr. Lister :

1193. Did he tell you that he was willing to take the risk of being found out or anything to that effect?—I do not know that we discussed it a great deal. We gave this out of the legitimate profits of our business. I simply regarded it as a sort of toll on our business, and as the business could not be done with the Government in any other way I was willing to assist him in this respect.

1194. As a matter of fact you could not have done the business with the Government in any other way?—I would not say that. We might have done so for the simple reason that the Dominion of Canada in some things could not obtain what they wanted from any other source.

1195. Were you satisfied that unless you did something of this kind you could not deal with them?—No, I could not be satisfied of that? I daresay we could have had orders—we might have had orders in any case.

1196. These orders spread over three or four years?—Yes.

1197. And your payments were spread over the same time?—Yes.

1198. And there were portions of the goods that would have to be bought from you that could not be bought anywhere else?—Yes; but there was a large proportion of the goods that could have been purchased at other places.

1199. They could have been purchased elsewhere?—Yes, they could have been, but they would not have obtained the same quality at the price.

1200. Either they could not have got these goods anywhere else or they could not have got them in such good qualities?—That is so.

By Mr. Bowell :

1201. Could he have bought some of the goods of the same kind elsewhere?—I dare say he might have done so.

By Mr. Lister :

1202. That being the case, Mr. Patterson, he could not have purchased as good goods as regards a portion of them, and he could not have bought them at all as regards others—why did you make these payments to him?—Because I was asked for them. I wished to have his good-will and his good word, of course.

1203. And so you submitted to the toll?—Yes, sir.

By Mr. Landerkin :

1204. Has any of the toll been refunded?—Not yet.

1205. Do you expect any of it?—No; I do not.

By Mr. Wood (Brockville) :

1206. You say that it was a common custom of your firm to deal with Governments in this way?—No; to deal with Senécal in this way.

1207. Is this the custom of your firm in the case of all large orders?—No, sir; this is a special case.

By Mr. Somerville :

1208. Did you understand that he got a portion of font of type from the Montreal firm, and that he got a portion from you?—Yes.

1209. Would it not have been more in the interest of the Bureau to have had the whole font from one foundry and one firm?—Yes.

1210-11. Then, Mr. Senécal was not doing the best that he could for the Bureau?—I understood that Mr. Senécal was anxious to patronize as far as possible—to give orders to local manufacturers.

1212-13. But he did not do so?—I understand that the Department bought a font of minion from Montreal, and a font of minion from me, because the local firm could not supply the whole.

1214. Do you think that that was a good thing to do?—Well, it was a matter of opinion.

1215. In any case it was bad policy to have two kinds of the minion font?—Yes.

1216. They would be apt to get it mixed?—Yes; they would be likely to get mixed.

1217. And to give a great deal of trouble in the printing?—Yes.

1218. When Mr. Senécal received these payments, were they made in cash?—Yes.

1219. When you made these payments to him would they make any difference in the discount?—No, if you turn up the invoices, you will find the discount they were entitled to, you will find that on the firm's invoices 10 per cent was deducted.

1220. What other goods did you supply?—We sold five or six thousand brass galleys at \$1.50.

1221. How many did you sell?—Perhaps 7,000.

1222. Did you ever sell 7,000 to anybody else?—No, the Dominion Government are the largest galley owners in the world.

1223. And the largest owners of minion type?—Yes. They have the largest font of type that was ever made.

1224. What weight of minion type did you supply?—100,000 lbs.

1225. Do you know what they bought from the Dominion Company?—About 60,000 lbs.

1226. That is about 160,000 lbs. altogether?—Yes.

1227. You have some knowledge of a transaction of a similar kind have you not?—Yes.

1228. What is the largest font that your firm has ever sold to any other establishment?—Well, the largest font they ever supplied to anybody else was to Spottiswood, and that was 50,000 lbs. But you must remember that they do not print voters' lists anywhere else and keep the type standing.

By Mr. Foster :

1229. Did you say that the Dominion Company was not able to fill the whole order?—They were not able.

1230. So that this amount of type had to be got from two different establishments?—Not necessarily. We could have supplied the whole of it. But the Government, I say was anxious to patronize the home made article, so as to encourage local manufactures.

By Mr. Wood (Brockville) :

1231. I understand that this is the only instance in your experience where commissions were paid, or anything was paid, on purchases?—No, if you bring me an order to-morrow to the value of \$3,000 or \$4,000 I will pay you 10 per cent. on the amount.

1232. I do not want to justify the course that you have pursued or that Mr. Senécal has followed, but I understand you to say, that this was given to Mr. Senécal only on the understanding that this was the custom of the business?—We are willing to pay commission to anyone if he will bring us an order.

1233. To anyone who brings you business?—Yes.

1234. I want to get at the facts, I do not regard you as any better than Senécal, but I wish to know what the custom is?—Any business house will pay commission on large orders.

By Mr. Somerville :

1235. I understand, Mr. Patterson, by this commission business, that you never had any dealings with any other Government Printing Bureau before. This is the only establishment of the kind in this country?—Yes; it is the only establishment of the kind.

1236. What you meant by a commission was, say that if the proprietor of the *Toronto Mail* or the *Toronto Globe* came to you and gave you a large order for type, you would allow him an extra discount on the purchase?

Mr. WOOD (Brockville)—He did not say that.

By Mr. Somerville :

1237. In a case of that kind you would not give the foreman of the *Globe* or *Mail* a bonus?—No.

1238. Did you ever give the foreman of a printing office in Canada a commission for his own benefit when he brought you an order for the establishment in which he was employed?—Well, no; I have never given them a commission, but I do not know that I am justified in answering that question. I never paid a commission in a case of that kind. I would not under any circumstances.

1239. The proprietor of the establishment giving you the order would get the commission?—He would get the discount. I would not pay him a commission, but if you brought me an order for another man I would give you a commission.

1240. Besides the discount?—That would be an arrangement between the man who brings me the order and myself.

1241. Supposing the manager, an employé of an establishment brings you a large order for type, you would give the discount to the proprietor?—Certainly; the proprietor would get it.

By Mr. Wood (Brockville):

1242. You would pay it to the proprietor and not go around to see anyone else?—Certainly.

1243. Supposing the foreman negotiated the order, would you pay the discount to the foreman?—Under no circumstances.

1244. But you did it in Senécal's case, and his position was that of a foreman. You are quite satisfied you would not do it, except to the proprietor of an establishment?—I would not. It was not the discount that Senécal got.

1245. You would give a commission to the foreman of a Government establishment, but not to the foreman of a large business firm?—I have not admitted paying Mr. Senécal a commission.

1246-47. Supposing the foreman of a large business firm, say the *Mail* or the *Globe*, or an incorporated company, were to negotiate a purchase from you for a large amount, and you knew that that foreman would have the whole say as to whether he should purchase it from you or not, would you give him a sum of money?—Not if I had not an understanding. If the order came through his hands I might make him a present of a new hat or a box of cigars, but this would be only after it was decided.

By Mr. Chapleau:

1248. If I understand you, you would give the discount on a purchase, whether it came from the Government or a printing house, to the house that buys?—Yes.

1249. It belongs to them?—Yes.

1250. For instance, in this case if the commission had been paid to Mr. Senécal it would have been money taken out of the Government pocket, but you made the allowance of the discount to the Government?—The invoices show that the Government bought their goods cheaper than we sell them elsewhere.

1251. The Government has had the full commission which you allow?—Yes.

1252. And the balance was a present to Mr. Senécal? By that question I do not want to be understood as justifying it?—I am the party that is the loser by that transaction.

1253. Were the prices paid by the Government the ordinary prices which you charge or were they lower prices?—They were lower prices, I sold the minion at 40 cents when I would have been justified in selling at 60 cents, as it could not be procured elsewhere.

1254. Did the Government or the country lose anything on that transaction?—Nothing whatever, because it was after the bargain was made and the rates fixed. I put in the rates for type and other supplies long before. I sent them to Mr. Romaine, whom I expected would be the head of the Bureau.

1255. You have stated that you do not know of any other Government having their voters' lists printed?—I know of none that keeps them standing.

1256. Do you know the quantity of type necessary for those voters' lists?—I know from the fact that small orders are coming in for "sorts," you will have to keep ordering continually as the lists increase.

1257. Do you know the number of pages that are framed in the voters' lists?—I suppose now about 8,000 or 9,000 large pages of standing matter.

1258. How many pounds of type for each page would that be?—I suppose there will be 18 to 25 lbs.; probably more than that, I could not say positively.

1259. From 18 to 25 lbs. per page for 8,000 or 9,000 pages?—Yes.

By Mr. Lister :

1260. I understand you to say that if you are satisfied the foreman of an establishment aided in getting you an order you might make him a present after the transaction was over?—I might.

1261. A present of a hat or a box of cigars?—It would be an exceptional circumstance, but if it were done it would be to secure his good-will.

By Mr. Wood (Brockville) :

1262. Supposing the foreman procured you an order for \$90,000 worth of goods, would you present him with a box of cigars?—Not likely.

By Mr. Foster :

1263. I think you said you would give him a house and lot?—Certainly, and without doing any injustice to the party who buys.

By Mr. Bowell :

1264. About the times you paid the money to Senécal, was it after or about the period that you received the cheques in payment for your supplies?—It was after the bargain was made and after the money was paid me.

1265. Supposing a cheque for \$20,000 was sent you from Ottawa to Toronto, would Senécal follow the cheque?—No. It was just whenever Senécal came to Toronto that he received money.

1266. Did it not occur about the time the cheques were sent up to you?—No; I am perfectly certain it was not.

By the Chairman :

1267. Was any arrangement made with you that you should give him a commission or bonus when the order was given?—None whatever. I said our figures were in before I saw Mr. Senécal or heard of his appointment.

1268. Have you paid anyone under similar conditions any moneys or similar percentage, outside this transaction, for sales made—that is, to the employé of any firm? I am not asking to whom you may have paid, but simply, if you have paid?—If I am not asked who, I will answer the question. Yes; I have.

1269. It has been a customary transaction with you?—It is not voluntary on our part, as you may assume.

By Mr. Foster :

1270. The idea is to gain the good will?—Yes.

1271. And you have paid it in similar transactions in other cases?—Yes.

By Mr. Mulock :

1272. Do you remember the first payment you received from the Government?—I do not.

1273. Do you remember whether about the time the first payment was made to you Mr. Senécal appeared at your establishment?—It is so far back I could not say. It would have been only after the payment was made. It was long after the order was placed and the figures fixed.

1274. Might it not have been the same day the cheque was given?—It was long after the figures were fixed.

1275. Might it not have been the same day the cheque reached you?—I never knew him to follow up the cheque.

1276. You mentioned having given \$200 to Mr. Beatty?—Yes.

1277. What service did he render for that?—I do not know that he did anything, and he may have done a great deal.

1278. It was for supposed service?—He was to use his influence with his friends to have a portion of the order sent to me.

By the Chairman :

1279. What Mr. Beatty was that?—Sam. Beatty.

By Mr. Mulock :

1280. He was to influence the order for you?—I went to him and said: "Sam, I want you to do what you can to get that order for me."

By the Chairman :

1281. What is Mr. Beatty's business?—He is a broker.

By Mr. Mulock :

1282. You said you would like him to use his influence to get that order for you?—A portion of it.

1283. How did you expect him to engineer it?—To see his friends.

1284. Who were his friends?—That I do not know.

1285. Whom did you expect him to engineer with?—With Sir John, Mr. Chapleau, or whoever had the patronage.

1286. You paid him \$200?—Yes.

By Mr. Lister :

1287. It is not true, then, that Mr. Alfred Smith and Samuel Beatty each got \$500, one \$500 paid by you and \$500 paid by Johnston, and that each got a note for \$500 discounted at the Imperial Bank?—It is not true.

1288. Did you pay any other moneys to any other officials in the public Departments?—Not a single dollar.

1289. No other official but Senécal received a dollar from you?—In no shape or form.

By Mr. Wood (Brockville) :

1290. You said, in answer to Mr. Lister, that in the case of others it was involuntary. How was it in this case?—I was quite willing to do it under the circumstances, but I would not volunteer.

1291. You would rather not?—I would rather not.

By Mr. Lister :

1292-3. It would have been better for you if Senécal had not been hard up?—I might have volunteered a certain amount, but not to the extent he exacted.

By Mr. Mulock :

1294. These payments to Senécal were made from time to time?—Yes.

1295. And were extended over some period?—Yes; up to the present time.

By Mr. Foster :

1296. The figures were fixed before you saw Senécal?—Yes; I had sent the figures to the Department, to Mr. Romaine, before Mr. Senécal was appointed.

By Mr. Bowell :

1297. Was there a further discount to the Government after you sent in your first order?—Yes; the invoices will show that the discount was taken off right along.

1298. Did you after that make a discount still lower?—No; I made a net figure on minion.

By Mr. Chapleau :

1299. That was arranged with Mr. Romaine?—Yes.

By Mr. Lister :

1300. You appear to have sold in 1888 to the extent of \$37,000. You did not make a contract for what you sold during the whole four years?—We did not make a contract. The orders were just sent in.

1301. Then in 1888-89 you appear to have sold \$27,850; in 1890, \$767.65, and in 1890-91, \$1,000.60. Your dealings continued over four years?—Yes; but most of it was sold in 1886.

1302. But the dealings extended throughout the whole four years?—Yes.

1303. Were you asked to put in a price each time?—It was the same thing, the order being a continuation. The first price ruled throughout.

1304. What about the others?—The brevier and brass rules and galleys were bought at prices fixed in the first place. Where the orders are small, and we have the type in, it is not our policy to give a discount. Our type is there, and the Government must buy it to keep up their sorts. If we are putting in a new dress or a new outfit we give a discount, but on subsequent purchases we do not. They are obliged to buy to get the same type.

By Mr. Chapleau :

1305. You said that the order for brass rules was an extraordinary large one?—Yes.

1306. Are those brass rules also used in the voters' lists?—Yes; they are used in the columns for dividing.

1307. How many strips would there be in each page?—About six in each page. There were 200,000 or 300,000 feet of rules required altogether.

P. T. PERROTT, called, sworn and examined:—

By Mr. Lister :

1308. You are the Vice-President of the Barber & Ellis Co.?—Yes, sir.

1309. What is the business of that company?—General stationers and dealers in different kinds of supplies, bookbinding, envelopes, and so on.

1310. Do you know Mr. Sénécal?—Yes.

1311. How long have you known him?—Between two and three years.

1312. That is since he was appointed?—Yes.

1313. Have you during that time had any dealings with Mr. Sénécal in a business way?—Yes.

1314. What is the nature of those dealings?—I sold him bookbinding leather, cloth, binders' board, threads, tapes, bands, &c.

1315. Can you give the Committee an idea as to what your total sales for these four years would aggregate?—I think it was for three years. It would probably be about \$18,000 to \$20,000 altogether.

1316. Mr. Sénécal used to go up to Toronto occasionally?—Yes.

1317. You gentlemen up there used to treat him pretty well?—Yes; pretty well.

1318. Now I ask you, Mr. Perrott, if during the three years which, according to you, you have been dealing with Mr. Sénécal, you have paid him any money by way of commission, present or loan, or anything else?—I made him presents—yes.

1319. To what extent?—Probably \$1,800, \$1,900, or it may be \$2,000.

1320. That would be about 10 per cent. on your sales?—Yes; about 10 per cent.

1321. Did you look upon it as a percentage to him—that he was entitled to 10 per cent. on the purchases?—No; he asked for it after the orders were completed; he insisted upon having something after the orders were completed.

1322. Well, I suppose these payments were given as presents, and in respect to the orders?—Yes; after each order was completed he would insist upon having something. He would say there was a present due to him, and we would make him the present.

1323. Was anything said as to the amount of the present?—No.

1324. Did you make up your mind how much the present ought to be?—Yes.

1325. Was it based upon the amount of the account?—No; not altogether; he said he had property and wanted to pay some mortgages off—private property.

1326. Did you ever give him more than 10 per cent. on one account?—No.

1327. It would always be 10 per cent.?—Yes.

1328. Ten per cent. on the amount of the charge?—Yes.

1329. Your judgment is that \$2,000 would be about the amount paid him?—Yes.

1330. Paid in Toronto or here?—The payments were mostly made in Toronto.

1331. In your establishment?—Yes.

1332. I notice, Mr. Perrott, that you appear to have received an order for 6,217,311 envelopes, that you filled out before the 30th June, 1890—was that the result of an order sent to you?—Yes.

1333. Who gave you that order?—It came by mail from the Stationery Department.

1334. Did you receive any such order before that year—before the 30th June, 1890?—Yes; I think we have supplied them for the last 12 or 14 years.

1335. Supplied over 6,000,000 envelopes?—I could not say exactly. I know that there was a certain change to be made in the Post Office as regards the envelopes.

1336. You have been selling to the Department this sort of article for the last 10 or 12 years; but is it not a fact that for the last two or three years only you have received these enormous orders, far in excess of anything you received before?—I could not say that. I know that there was a change made in the Post Office here, and that necessitated some new registered envelopes which they ordered at that time.

1337. Have you any contract for these papers?—No.

1338. It was without a contract?—Yes.

1339. Was there a bargain made?—No; there was no bargain.

1340. An order was sent to you to Toronto and the envelopes were forwarded?—Yes.

1341. Were these orders for the envelopes just the ordinary requisition from the Department?—Yes; from the Stationery Department.

1342. No prices were mentioned in the letter?—No. They already had the price list.

1343. An old one?—No; it had been revised several times.

1344. How long before the 30th June, 1890, had it been revised?—About twelve months.

1345. Would you say more than twelve months?—It would not exceed twelve months.

1346. Was any change made twelve months before?—Yes.

1347. How much?—Perhaps 10 cents—from 10 to 30 cents a thousand.

1348. How much percentage would that be?—I cannot say exactly—72½ per cent. perhaps.

1349. I understand it was a change in the direction of lowering the prices?—Yes; paper had dropped in price.

1350. Do you remember Mr. Senécal being in Toronto about August, 1890?—No; I do not.

1351. Do you remember him making any statement to you, to the effect that the Government were about to start an envelope factory?—He said something of that kind—that they were going to set up an envelope machine.

1352. Did he say that more than once?—Probably more than two or three times.

1353. It rather frightened you, did it not?—No; it did not.

1354. You did not care whether they did or not?—Oh, yes; we did.

1355. They would not have had to buy any from you in that case?—No.

1356. Were you not afraid of losing the custom?—No. It would not have paid the Government to have put up the machinery.

1357. But he did not care whether it paid the Government or not. He told you he was going to get the Government to do it?—Yes.

By Mr. Powell:

1358. Did he tell you why the Government was to put this machinery up?—No. He said he was trying to get them to put up another machine, and I showed him the return of the quantity and price. He did not think then that the Government would accede to the change.

By Mr. Lister :

1359. Did you pay him any money then?—No.

1360. Did you pay him three or five thousand dollars?—No.

1361. Did you give him any money at all about that time?—No.

1362. Do you remember going to Ottawa to get a large order about August or July in 1890?—For what class of goods?

1363. I do not know for what class of goods?—I some times got—very often I have got an order.

1364. Did you give any money to Senécal at the time?—That I could not say.

1365. Did you draw a cheque when you left for \$3,000 or \$5,000?—No.

1366. And when you got back did you charge it to expenses?—No.

1367. Did you ever pay him any money by cheque?—No, sir.

1368. Now, you say that you sold on the 30th June, 1890, these 6,000,000 odd envelopes. Will you tell us how much you have sold since then to the Department?—I could not tell you.

1369. You do not remember?—I cannot say.

1370. Did they amount to 6,000,000?—No; not to 6,000,000. Whenever I received these large orders they were for special business—envelopes required for a special purpose.

1371. Now, who had you dealings with in the Stationery Department?—With the same person (Mr. Bronskill) for the last three or four years.

1372. When did you commence to have dealings with him?—I do not remember; it was when the late James Young died. Since that time it was Mr. Bronskill.

1373. Mr. Bronskill appears to have been appointed in January, 1888?—I have had dealings with Mr. Bronskill since that time.

1374. You sold to his Department a considerable quantity of stuff yearly?—Yes.

1375. Mostly envelopes?—Yes; especially some lines that the Government ran out of.

1376. Now, did you pay to any person in that Department sums of money, either as loans, commissions or anything else?—No; none. I loaned Mr. Bronskill \$100, and a second \$100, and I sent his wife \$100. There was \$400 altogether.

1377. Four hundred dollars altogether you paid, either Bronskill or his wife?—Yes.

1378. Have you paid anybody else in the Department any money but Bronskill?—No; not one cent.

By Mr. Foster :

1379. You had dealings with Mr. Young, before his death, in the same way?—Yes; probably for 10 or 12 years.

1380. Was the same system followed then that is followed now, in the matter of orders and prices?—Yes.

1381. They were alike exactly?—Yes; we gave such alterations in the prices as we thought the Government ought to have.

1382. The Government had the right of revision?—Yes. I reduced the prices on some lines not more than three weeks ago.

By Mr. Lister :

1383. Did you ever know Mr. Bronskill previous to his becoming an officer of the Department?—No, sir.

1384. That was your first acquaintance with him?—Yes, sir. When he was appointed assistant to the late James Young.

1385. Mr. Bronskill told us that he had sent you a promissory note recently?—That is right.

1386. When was it sent?—One note was in 1890, and the last note, I think, in 1891. It was in 1889-90 that we received the first one, and the last one was in 1891.

1387. At what time in 1891?—Either the latter end of July or the early part of August.

1388. You sent \$100 to his wife and gave him \$300?—No, sir; \$200 we sent to his wife and \$200 went to Mr. Bronskill. Last year I sent him \$100, and this year \$100.

1389. And \$100 each year for the wife?—Yes, sir.

1390. Then you gave Mr. Bronskill \$100?—No, sir; I loaned him \$100, and have his note for it.

1391. He says that a year ago in May he got \$100 to send his wife to the seaside?—He is mistaken.

1392. He says that he got \$400 altogether?—Between him and his wife, that is quite right.

1393. He says in the latter end of July or the beginning of August, this year, he sent you a note?—That is so.

1394. Did you ever expect to get the money back?—I intended the wife should have the benefit of that to go to the seaside.

1395. Did you ever expect to get the money back?—No.

1396. So that he did not owe the amount when he sent you the note?—No, sir.

By Mr. Wood (Brockville):

1397. Did you ever make a present to Mr. Bronskill?—No. It was a loan to him. I sent the presents both to Mrs. Bronskill.

1398. I want to know what your custom of doing business is? Are you in the habit of tempting people in that way by offering \$100, in the way of present or testimonial?—I understood at the time she was very sick with her family.

1399. You understood Mrs. Bronskill was very sick?—Yes.

1400. And it was a feeling of sympathy that prompted you to do this?—Yes; because Mr. Bronskill had been very kind to us.

1401. And if Mr. Bronskill had not been in a position to help you, I do not suppose that your sympathy would have prompted you to have helped his wife?—It depended whether we knew the man or not.

1402. Is this the only case? Are you in the habit of making presents of this kind to large customers?—Not usually.

1403. Do you do it in any case?—Not if we can help it.

1404. Do you do it in any case?—Make presents?

1405. Yes?—No.

1406. That is your answer?—Yes.

1407. Are your agents in the habit, to your knowledge, of making payments to large purchasers?—We make presents occasionally.

1408. How do you reconcile that statement with what you have previously said—that you did not make any presents? It is evident that, rightly or wrongly, in your case it is the custom of your firm to make these presents to large customers?—Not to large customers.

1409. Well, do you make them to small customers?—We make a little present occasionally, to a manager, say.

1410. You make presents to managers of business firms dealing with you?—We do not make it a practice.

1411. You do it, though?—Very seldom.

1412. Can you tell me the extent to which it prevails—do you give money?—No money.

1413. Presents?—Yes. For instance, I would give a customer a gold pen or pencil—a small thing like that.

By Mr. Barron:

1414. That would be to a customer?—Yes.

1415. One who paid his own money?—Yes.

By Mr. Wood (Brockville) :

1416. You never made a present of that kind to the foreman, or agent, or manager of any firm?—Perhaps a few times we have.

By Mr. Lister :

1417. Of small value?—Of small value, perhaps we have; say a couple of dollars.

By Mr. Somerville :

1418. Did you ever know of a lawyer making a present to any of his customers?—(No answer).

By Mr. Wood (Brockville) :

1419. You never knew of a lawyer able to do so?—Oh, yes.

By Mr. Barron :

1420. You never knew a lawyer to have such customers?—(No answer).

By Mr. Bowell :

1421. When Mr. Senécal called your attention to the fact that he was recommending the Government to put in envelope machinery did he indicate by that, that you would lose the work?—Certainly.

1422. That is the inference you drew?—Yes.

1423. What did you do on that?—I brought a statement down to Ottawa and showed it to you and the Secretary of State. That statement showed the quantity of envelopes a machine would make a day. In some lines a machine would make 40,000 envelopes, running three quarters of a day. The machine would then stand idle for twelve months. Another machine would run two and a-half days to make the quantity required of another kind of envelope. There was not a single machine that you could have kept running more than two months in the year.

1424. And you represented that to the Secretary of State after your conversation with me?—Yes; I brought my statement, and Mr. Bronskill furnished another one. On comparing them we found that they were within a few thousands of each other.

1425. On the representation that the interest on the investment would not pay the Government, the Secretary of State declined to put in the machines?—Yes.

By Mr. Chapleau :

1426. I told you that they would not be put in?—You told me I might rest assured that there would be nothing done about putting in the machines.

By Mr. Foster :

1427. The amount of envelopes that the Government needed would not be sufficient to warrant the expenditure?—Yes. The plant would probably have cost \$20,000.

By Mr. Bowell :

1428. To do the different quantities of work required?—Yes. You would require a separate machine for different sized envelopes.

1429. Had Mr. Bronskill anything to do with fixing the prices of the envelopes?—Nothing whatever. Mr. Bronskill frequently made representations to us, asking us to reduce the prices. The last reduction was made two or three weeks ago.

1430. Then your payments to him were simply to keep on the right side of him to get your orders?—Yes.

ANDRÉ SENÉCAL called, but did not answer to his name.

On motion of Mr. Lister, it was

Ordered, That a report be made, informing the House that Mr. André Senécal, Superintendent of Printing, was summoned to again appear before the Committee

on Public Accounts this 27th day of August, 1891, and has disobeyed the summons served on him, and failed to appear, but has forwarded to the Chairman of the Committee the letter set out on page 53 of the Minutes of Evidence; and that these facts be reported for the information of the House.

T. DIXON CRAIG, M.P., called, sworn and examined:—

By Mr. Lister:

1431. Will you please make a statement to the Committee.—My brother informed me that some time ago, when he understood this Printing Bureau was established, that he was anxious to get some of the business. He came down here last year and went to see Mr. Senécal about it. After some conversation, Mr. Senécal took him into his private office and hinted something to him, which he understood to be, that there was something about a commission on goods to be purchased. My brother was rather startled at that. We did not do that sort of business at all, and he did not know what he was alluding to. However, after beating about the bush a good while, Mr. Senécal said to him: "Of course, if you are selling goods to anybody you are willing to pay a commission on the goods. That is customary." My brother said: "We do not like to do that sort of business. We do not care to do it." Mr. Senécal said: "Of course, you have to contribute to election expenses." My brother said: "We always do that at home. We pay for election expenses there and we do not want to do it in two places." He said: "You need not trouble your conscience about this matter. Other people do it. You ought to do it, too." My brother did not say anything to him about that. He did not give him any answer, because he was a little startled by what he had said. Senécal then said: "If you wish to send anything to me, put it in an envelope and mark it 'private.'" My brother went away and decided he would have nothing to do with it. I may say that on the same visit, I think, he called upon Mr. Bowell and had a talk with him, and got an introduction to Mr. Chapleau; and after talking with Mr. Chapleau he did not say anything about the matter of Mr. Senécal. He had this thing hardly settled in his mind. He seemed to be very uncertain. However, he talked the matter over with Mr. Chapleau and told him he thought he should get a part of the business, as he understood the National Policy was to encourage factories in this country, instead of importing goods from England, as he said he understood had been done. Mr. Chapleau merely told him he would see that he got an order. That was all we did in the matter. He did get an order amounting to nearly \$2,000, and another order this year amounting to nearly the same thing; but not a cent had been paid to anybody in the way of commission.

By Mr. Barron:

1432. What business is yours?—Tanning sheep skins—binding-leather.

By Mr. Foster:

1433. Did your brother tell you that he asked Senécal what this money was for?—No; he did not ask him.

1434. And Senécal replied for election expenses?—No; he did not say that.

1435. But your brother did tell you that he told Senécal that he had subscribed for election expenses at home?—Yes.

1436. And Senécal said he could send him what he liked, to himself, marked "private"?—Yes.

1437. When your brother told him that you did not do business that way, did he show some reserve?—He did not give the order, anyway. My brother went away rather disappointed on not getting the order.

By Mr. Hyman:

1438. But he might have got the order?—He did not think so much about it until after he went away, and then he felt pretty bad about business being done in that way. He made up his mind he would not do it in any case.

By Mr. Lister :

1439. Did your brother suggest that he was going to have an order, even if he had to see Mr. Chapleau or Sir John Macdonald about it?—No; he did not tell me that. He likely may have said that, because he did intend to see them. He did see Mr. Chapleau afterwards.

1440. Did your brother tell Senécal that he knew too much about the way the Printing Bureau was conducted, and that he would prepare a statement and put it in the hands of Mr. Laurier, which would rather perplex him?—No; I am satisfied there was nothing of the kind said to him.

1441. To Senécal?—I am satisfied he did not say anything of the kind. I am satisfied he did not, because my brother did not know anything about this then. He told me he was surprised such a thing was done.

1442. When was the order for \$2,300 given?—Last year, some time.

1443. Then you have got an order since?—Yes; we got an order this spring.

By Mr. Murray :

1444. I understand you to say that one reason Senécal gave was that he wanted the money for election purposes?—He was hinting at it; but he did not say so directly. He said: "You give to election expenses." He did not want to ask point blank for the money, but at last he said my brother might send it.

By Mr. Lister :

1445. Did your brother get an order this spring?—Yes; this spring.

1446. A considerable order?—\$2,000, I should think. He says he thinks he ought to get a good deal more.

By Mr. Denison :

1447. I would like to ask whether you are a partner in the firm now or then?—I have not been a partner for two and a-half years.

JOHN F. ELLIS called, sworn and examined:—

By Mr. Lister :

1448. You live in Toronto, Mr. Ellis?—Yes.

1449. You are the Treasurer of the Barber & Ellis Company?—Yes.

1450. And you are a Director of the Manufacturers Life Insurance Company, I believe?—Yes; I am Managing Director.

1451. Your company, the Barber & Ellis Company, have received large orders from the Government for envelopes during the last few years?—Yes; for the last 12 or 13 years.

1452. But not so large as for the last two or three years?—No; not in proportion to the demand.

1453. Can you tell me the amount of orders you received four years ago?—I cannot tell you the amount.

1454. Can you tell me if on the 30th June, 1890, you received an order for 6,217,000 envelopes, amounting to \$19,490?—Yes.

1455. Have you ever received from the Government any one order at all equal to that?—Yes.

1456. When?—The year before, and the year before that.

1457. That would be three years ago?—Yes.

1458. Were the orders equal to that during the three years?—No; they were not equal, not but they were approaching that.

1459. Can you tell me what amount of business you have had with the Government for the present year?—I have not figured it up.

1460. Have you any difficulty in getting orders from the Government?—Not for the last ten years.

1461. Do you remember going in June, 1890, to Rivière du Loup?—Yes; I went down at that time.

1462. Was it on business, or was it on pleasure that you went?—It was a business trip.

1463. In connection with the envelope supplies?—No.

1464. You did not talk this matter over with Sir John Macdonald?—No.

1465. Have you made any arrangement as to the supplies for the last three or four years?—There was no arrangement with anyone. The orders were filled when the stuff was wanted.

1466. They were filled just as the envelopes were wanted?—Yes; when they were wanted, we were glad to fill them.

1467. Have you anything to do with the selling operations of the company?—Not since I became Managing Director of the Manufacturers Life Company.

1468. How long was that ago?—It was in 1889.

1469. Three years ago?—Yes.

1470. Previous to that did you take any part in the travelling and in the selling?—Yes; I devoted my time to the Barber & Ellis Company's business; since then I have not.

1471. Did you ever have any business with Mr. Senécal?—No.

1472. With any officer of the Department within the last three or four years?—What do you mean by that?

1473. Selling goods?—Oh yes. Whenever I have been in Ottawa, I have called in the Stationery Department and seen the purchasing man there, Mr. Bronskill, but never got any orders.

1474. You never received anything of that kind from him?—No.

1475. Have you paid by way of loan, gift or otherwise, any moneys to Mr. Bronskill or Mr. Senécal?—Mr. Bronskill has admitted what he received.

1476. I am asking if you paid him any?—I believe he has stated what was paid.

1477. You did not pay him anything?—No, not myself.

1478. I am asking whether you paid any?—No, he did not get any money from me.

1479. Never?—No.

1480. Whatever money was paid him was paid by Mr. Perrott?—I do not think he got any from Mr. Perrott.

1481. Well he says he did, and Mr. Perrott says too that he gave money to him?—It was not with my knowledge.

1482. Mr. Perrott says that he gave him money and that he did not expect to get it back?—If he did I did not know of it.

1483. Was any money ever paid to Mr. Bronskill besides what Mr. Perrott paid him?—No, I did not think that Mr. Perrott paid him any.

1484. He says so, that \$200 was paid to Mr. Bronskill and \$200 more to Mrs. Bronskill?—Well, I was under the impression that she got the \$200 from me.

1485. It was sent by you?—I was under that impression, it may be that it was Mr. Perrott who sent it.

1486. Mr. Perrott says he sent the two?—I might be mistaken.

1487. Were there any other persons in the Department ever paid any money by you?—No, that is the only money ever paid in the Stationery Department to my knowledge.

1488. Did you ever pay any money to Mr. Senécal?—No, sir.

1489. Do you know that money was paid to him?—I heard there was.

1490. Do not the books show it?—No; the books do not show it.

1491. Who told you?—Do you mean paid by the firm?

1492. Paid by the Barber & Ellis Company?—I am under the impression that he got something from the Barber & Ellis Company. I did not give it to him. I have nothing to do with it at all.

1493. Have you any idea of the amount he received. Mr. Perrott says it is \$2,000?—If it is as much as that I am very much surprised.

1494. You did not think it was anything like that?—No.

1495. You have never paid to any person, for yourself or as treasurer for the Barber & Ellis Company, any money to officials by way of loan or gift or in any other way?—I have not.

1496. And to no relations of officials except Mrs. Bronskill?—That is the only transaction.

1497. And you are not sure you paid that?—I am not.

1498. Did Mr. Senecal talk to you about starting an envelope factory?—I would not be positive on that; I know we talked of it, but whether it came to me direct or not I would not like to say.

1499. You do not remember whether he talked to you about it?—I could not say. Of course I was quite interested in it, but whether it came direct to me or not I could not say.

By Mr. Mulock:

1500. You say you gave money to Mrs. Bronskill?—I was under the impression that the \$200 he admitted he received was sent by me to Mrs. Bronskill, but I may be wrong. I remember there was \$200 paid, but I thought it went to her.

1501. You mentioned that you received a note from Mr. Bronskill in settlement?—Not for that \$200. He drew on us for \$100 and sent his note in settlement of the draft.

1502. That is somewhat recently?—Yes. We have that note yet. No one else has got that note.

1503. \$400 was paid in all to Mr. and Mrs. Bronskill?—I do not know that they got \$400. Mr. Bronskill admits that, but I do not know.

1504. The money paid to Mrs. Bronskill has not been refunded?—No.

1505. Do you consider that they owe you for that?—We do not consider that they do.

1506. It was a gift?—It was a gift.

COMMITTEE ROOM, TUESDAY, 1st September, 1891.

Committee met—MR. WALLACE in the CHAIR.

COLONEL BROWN CHAMBERLIN, re-called and further examined :—

By Mr. Lister :

1507. I asked you to produce the vouchers for printing paper for the fiscal year 1887-88?—They are for the most part, in the office of the Auditor General. A diligent search was made there and they were not found. We were asked a second time to make search for them, and I have caused diligent search to be made during the last ten days or two weeks, but, we are unable to find a certain number of them. There are still a certain number missing notwithstanding the search that has been made, and I cannot produce them.

1508. What is the proper depository for those vouchers?—As a rule, after a voucher has been paid, or after an invoice has been paid, it is sent with the account to the Auditor General. They remain with him until he has finished making up his accounts, and then they are generally returned, but not always; sometimes not for a year or two. But after he has made his annual report, the rule would be that they should come back.

1509. Then they should be found in your Department?—Well, sir, I don't know that, because all the others excepting these few missing papers, were found in his Department, and there is no trace to show how they came to be missing from either place.

1510. No trace can be found of them at all?—No trace at all.

1511. You have made diligent search?—Yes, by very honest and efficient officers. They tell me they can find no trace of them whatever in the Stationery office.

1512. Have they also made diligent search?—Search has been made by Mr. Hayter, I believe. I think he has charge of the vouchers there.

EDWARD B. BLACKHALL, called, sworn and examined :—

By Mr. Lister :

1512 $\frac{1}{2}$. What is your business, Mr. Blackhall?—I am a machinery dealer.

1513. Carrying on business where?—As an agent carrying on business in Toronto.

1514. From the accounts I see that you furnished to the Printing Bureau, or to the Government, for the Printing Bureau, a quantity of machinery?—I did.

1515. Will you tell the Committee in what years that machinery was supplied?—Mainly in 1890.

1516. Did you make any sale previous to 1890?—I may have done so, I cannot remember.

1517. The accounts show your total sales to the Bureau, to be \$8,291.00. Did they exceed that amount?—Oh, yes.

1518. By how much?—As agent, I must have sold them in the neighbourhood of \$18,000.

1519. For whom did you act as agent in that sale?—For W. O. Hickock, Harrisburg, Pennsylvania.

1520. So that your sale and the Hickock Manufactory sale made by you, would amount to \$19,000 or upwards?—In the neighbourhood of that.

1521. Of what character were those goods?—It was machinery principally put in the binding department—standing presses, and the various machinery required for binding—a portion of it, I did not put in all of it.

1522. Did you furnish the electric light machinery?—No, I did not.

1523. Did you put in an engine or boiler?—No, sir.

1524. You did nothing of that kind?—No, sir.

1525. Do you know who put in the electric light machinery?—I don't know.

1526. With whom did you negotiate?—With Mr. Senécal.

1527. Did you at any time, or times, pay to Mr. Senécal any sum of money, or give, or lend to him, any sum of money?—I did.

1528. State when, and the amount?—I cannot give you the precise dates. I gave him money frequently, but the dates I did not keep track of. Sometimes he would get forty, or fifty dollars, sometimes a hundred, sometimes more than that.

1529. What would be the aggregate amount you paid him?—I cannot give you each amount—I cannot remember—but the entire amount would be in the neighbourhood of \$2,000.

1530. Where were those moneys paid?—Sometimes, I would meet him in Toronto, sometimes in Montreal, sometimes here.

1531. So that they would be paid in all those places?—They were paid in all of those places. If I happened to meet him he would say he wanted a little money and I would give it to him.

1532. That would be something over ten per cent of the amount of his purchase?—I never figured it in that way; it would be somewhere in that neighbourhood, I think.

1533. How did you get at that amount? Was there any talk about ten per cent, or how did you come to pay him the money?—There was no special arrangement made of any kind, further than I supposed he expected to get part of what otherwise would be my discounts—my commissions from the parties I sold for.

1534. He expected to get from you, what otherwise would be part of the commission you would get from parties you sold for?—Yes.

1535. You must have got a large amount? Did you give him over ten per cent of it?—I have the list of commissions that are allowed in my pocket. I can give them to you if you desire it.

Mr. FOSTER.—You need not give away your own business unless you choose.

The WITNESS.—I simply have it here.

By Mr. Lister :

1536. Never mind. I ask you how it was you came to make these payments to him? Why did you do it? Was it a voluntary payment, or was there anything said or done, that induced you to think that it would be in your interest to make them?—Well, I supposed it would benefit me by giving him these amounts. He said he would order other goods from me.

1537. He said he would order other goods?—He did not say so; I inferred that.

1538. Tell us what he said exactly?—I cannot remember any special conversation.

1539. But surely you did not put your hand into your pocket and give him \$200 or \$300 without his asking for it?—Well, I was asked for it.

1540. Your greatest sale, you say, was in 1890?—I think so.

1541. What proportion of those commissions would be paid prior to that year?—I really could not tell you.

1542. Would he be paid half of each thousand dollars?—I never paid anything until after I had received orders. I never paid a cent previous to my receiving orders and filling them.

1543. It was always after filling the orders that you paid money?—Yes; that I paid money.

1544. That was your custom?—Yes.

1545. Always, after filling an order, you paid him some money?—After he met me and asked me.

1546. Did he usually meet you shortly after you had filled an order?—No; not shortly afterwards.

1547. Was it at the time you got your cheque?—It was that way on two occasions, I believe.

1548. Did he meet you when you got your cheque; did he hand you the cheque?—The cheque was given to me by Mr. Gliddon.

1549. Who is a clerk in the office?—Yes.

1550. How long after the cheque was given was it before you paid him money?—On two occasions I paid him then and there.

1551. In the presence of anybody?—Not that I know of.

1552. Did you walk into his office and pay him?—No; he was with me.

1553. He was with you when Gliddon handed you the cheque?—No; I cannot say that he was.

1554. Well, you told us on two occasions that Gliddon handed you the cheque?—Yes.

1555. And you paid Senécal then and there?—Afterwards.

1556. How long afterwards?—That same day.

1557. Where would you make those payments? Did you make one of them in the Russell House?—I don't think so; it was in the Bodega.

1558. Was it a payment by cheque, or in cash?—I think it was in cash.

1559. How much did the payments amount to on those two occasions?—I do not remember.

1560. Cannot you tell us? Was it \$100?—I cannot recall the amounts at all.

1561. How did you come to make him those payments?—Simply because he asked me.

1562. What did he say to you?—I cannot remember.

1563. Well state it as nearly as you can? Surely there is some impression on your mind, as to what he said to you. You may not be able to give the exact words, but you may be able to give the meaning?—Oh, something in the way of giving him some of my commission, or some words to that effect.

1564. Did you not object to it?—No, I gave it to him.

1565. And you cannot tell us what amount it was?—I don't remember.

1566. You cannot give any idea?—I cannot.

1567. What was the largest amount you ever gave him at one payment?—Somewhere in the neighbourhood of \$1,400.

1568. In one payment?—In one payment.

1569. Now you can tell me where that payment was made?—I think it was a cheque.

1570. Where was the cheque given?—I cannot say whether I gave it to him here or whether I mailed it from Toronto; I don't remember.

1571. When was that?—I think it was in May, 1890.

1572. And the cheque was on what Bank?—On the Standard Bank of Toronto.

1573. Was that the last payment you made him?—No.

1574. When was the last payment?—A couple of months ago—I should think two or three months ago.

1575. Where was that payment made?—In Toronto.

1576. How much did it amount to?—I think it was \$40.

1577. In 1890 you say you paid him this \$1,400?—Well, I believe so.

1578. Would the \$600 you think you paid him be made subsequent to that payment or before it?—I should think it would be after.

1579. So that the \$2,000 would all have been made since May, 1890?—I think so.

1580. Then up to May, 1890, you never paid him anything?—I don't think I did.

1581. Did you have any dealings with him up to that time?—Nothing more than seeing him and giving him an estimate.

1582. You sold no goods?—Nothing prior to 1890.

1583. All the money you paid him, was paid subsequent to that time?—Well, the orders were not filled, or not all filled. Any payments I made were after that time.

1584. Did you have any difficulty with him about getting your account passed?—No, I did not.

1585. Did you ever pay him any money for the purpose of having your account passed?—I never did.

1586. Did you ever make him a payment of \$500?—Never.

1587. Or \$400?—Not that I know of.

1588. Will you swear that you did not make a payment of \$400?—Well, in this gross total I gave you, I really cannot.

1589. That was one payment?—The total of about \$2,000 would cover any and all the payments I would make.

1590. Your payments to him, then, to the best of your recollection did not exceed \$2,000?—I don't think so.

1591. You would not undertake to swear it did not exceed that amount?—It could not vary very much from that. I gave you what I believe to be true.

1592. Did you understand before dealing with this concern, from other members of the trade that it was necessary to "grease" Mr. Senécal to do business with him?—Well, no one told me such a thing.

1593. They never told you in so many words, but did you ever have a conversation with people who sold goods to the Bureau, which would lead you to draw that inference?—No, not particularly so.

1594. Did you ever enquire at all?—No I cannot say that I did.

1595. So that he just imposed upon your good nature? He asked you for the money and you gave him to him?—(No answer.)

1596. Were accounts rendered for those goods? You rendered accounts I suppose to the establishment you worked for?—Yes.

1597. Any discount allowed by them?—Yes.

1598. How much?—I could not say exactly, but you have the price list and the prices that were given, which would show it.

1599. You do not remember?—I cannot tell you.

1600. How much was it off the price list? It was a cash transaction, was it not?—Usually. When I sold articles of my own I sold them full price—when I had inventions of my own that I controlled—I can give you the name of houses all over the country that I have sold to at the same prices, because I controlled these things.

1601. Well, things that were not yours?—I had probably ten or fifteen per cent.

1602-3. Off these prices?—I think so; you have them there.

1604. The discount must have been taken off before?—In the estimate for the contract.

1605. So that you would have to get your list prices in the catalogue and compare them with the prices?—Yes.

By Mr. Foster:

1606. How were the prices fixed for this machinery that you sold; who fixed the prices?—The Hickock Manufacturing Co. for what they supplied and myself for what I supplied.

1607. To whom were the prices submitted?—To Mr. Senécal. An estimate was sent in just the same as I do business with anyone else.

1608. It was sent in to the Department?—Yes; from Toronto.

1609. In that communication you indicated the prices which would be charged for several articles?—I put in an estimate.

1610. That was accepted?—A portion was accepted.

1611. Had that estimate been accepted before you gave anything to Mr. Senécal?—Certainly.

1612. So that you had no agreement with him beforehand? Did you understand beforehand that you would have to give anything to Mr. Senécal? So that the prices were fixed independently entirely of any transaction you had afterwards with Mr. Senécal?—

1613. Were your prices the same or lower to the Government than you charged to other parties?—They were fair average prices; a little on the low side, if anything.

1614. And they were not affected in any way by your transaction with Mr. Senécal?—I cannot say that they were.

1615. You sell to other people besides the Government?—I do.

1616. Are you in the habit of making presents, giving loans, or presenting commissions or anything of that kind to other parties to whom you sell?—Sometimes.

1617. It is really, then, a practice of your trade?—It is a thing commonly done everywhere. Sometimes a man may order a lot of goods, take my estimate, and after I have filled the order, when the transaction is closed, I may give him a present.

1618. It is really then a custom of your trade?—Yes. When a man has benefited me I consider I should benefit him; not that I would go and make any arrangement with him beforehand. I have given away quite a lot in that way, both in Canada and the United States.

1619. What is your purpose in doing that?—Well, to secure the good-will of the person.

1620. And your object in giving Mr. Senécal those loans, in answer to his importunities, was to secure his good-will with a view to future business?—Yes.

1621. Just the same as with any other person?—The same as I have done in many other cases.

By Mr. Lister:

1622. Did you ever charge any of those payments to Mr. Senécal in your accounts?—Oh, no.

1623. You never expected to get any portion of the money back?—I cannot say that I did.

1624. Do you mean to tell this Committee that in dealing with a master, for example the Chairman here, that you would give his foreman presents like this?—No, that does not follow.

1625. Have you in your business transactions with ordinary customers ever given presents of this kind to their foreman or to the purchaser?—When a transaction has been closed I have sometimes given presents.

1626. To whom?—To those who may have interested themselves in getting me an order.

1627. To the man whose money it was or to some agent?—I mean entirely outside of the transaction altogether.

1628. Supposing I bought \$18,000 worth of goods, would you make me a present?—Very likely I might.

1629. Supposing I bought goods and that Mr. Barron was my foreman, would you make him a present?—I would not say that I might.

1630. Is that your custom? No. But if you bought goods from me and I supposed you might buy goods again, I might present you with a horse. I would consider it perfectly legitimate to do that.

1631. It would amount to the value of a horse or something of that sort? It would not be \$2,000?—It might be in the aggregate. If you continued to order I would continue to give you presents.

1632. You do not want the Committee to understand, that it is the practice of your trade, when an employer orders goods from you, to make presents of value to his foreman?—No; certainly not. But if the foreman was employed at an establishment from which I am getting a large order, supposing I am fitting up their place,

and that other goods would still be wanting in that place, I might make that foreman a present. I have done so.

1633. But to nothing like the extent you have given to Mr. Senécal?—That would depend.

1634. Have you ever done it in your business before?—Made presents in such a way as that? Yes.

1635. To the extent of \$2,000?—No; not to that extent.

By the Chairman :

1636. To the extent of the same percentage—about 10 per cent.?—If I gave a present it took about that shape. I have given it in that way.

By Mr. Lister :

1637. Do you mean to say that you have given foremen of people who bought goods from you valuable presents of money?—I have given presents to foremen.

1638. If an agent came to you there would be no objection to doing it then?—I would give him a commission.

1639. My question applies to presents to servants of people from whom you were receiving orders?—That depends on the circumstances. If you were a foreman and you told me that your employer was going to put in a large amount of machinery, and that all things being equal, I might have the chance to get that business, and eventually I did get that business, and I made you a present, it would be something I have done often.

1640. To any value?—Well, various amounts.

1641. What is the highest amount you have paid in that way?—It would be in the percentage. I would not exceed a certain percentage.

1642. What is the highest sum paid in that way?—I cannot recollect.

1643. Did you ever pay \$100?—Yes.

1644. \$200?—Yes.

1645. \$300?—Yes.

1646. \$400?—Yes.

1647. \$500?—Yes.

1648. Would it be \$600?—I do not think I have paid \$600.

1649. To one man?—Yes.

1650. To his foreman?—No; I do not think to his foreman.

1651. Would you pay it to the man himself or to the agent outside of the business altogether?—To the man who interested himself in getting me a large contract.

1652. But not to the servant of the man who had to pay the account and who had the naming of the prices?—Well, the employer would have the naming of the prices, because an estimate would be submitted to him.

1653. Did you ever pay \$500 to the servant of a man to whom you sold goods? That is a straight question and easily answered?—No.

By Mr. Foster :

1654. To bring this matter down, I want to get exactly what you mean, supposing I am the owner of an establishment and I have a foreman and I send him down to you to look over machinery and he reports to me what kind of machinery you have. I ask you to send in a list of prices and you send it in. I agree to order a certain amount of machinery at these prices and this foreman of mine goes down and negotiates with you, the order is a generous order and there is a talk of further orders. Would you, in accordance with your practice, give to that foreman a present under those conditions?—Most likely I would.

1655. That has been in accordance with your experience?—Yes.

1656. And you have generally made it on some percentage, I presume?—I would not exceed 10 per cent.

1657. Would be about 10 per cent.?—It might be or it might be 5 per cent.

1658. It would all depend upon the largeness of the order?—Yes; as to the size of the present.

By Mr. Lister :

1659. Would you inform the employer of the man to whom you made a present in this way that you had done so?—In some cases I would.

1660. And he would not object?—No; I have told an employer that I have made a present of a suit of clothes or a present of cash; I would not hesitate to do so, nor would I think that I was doing anything that was not right.

1661. But if you told an employer that you had made a present it would be a trifling matter, would it not?—No; not necessarily.

1662. Supposing you ordered goods to the value of \$10,000 and you gave a man \$1,000, would you consider it a proper transaction to give him that money and not let the employer know about it?—It is only a question of degree whether the amount be large or small.

1663. That is the way that you conduct business?—I do not know that I would.

By the Chairman :

1664. Have you had any \$10,000 orders beyond those given by the Government?—I cannot say; I have had a great many large orders in the United States and Europe.

By Mr. Hyman :

1665. Supposing you were dealing with two employers, and in one case you give the foreman a present, and in the other case you do not. Take for example one case such as the Minister of Finance speaks about, and another case of a man to whom no present would be given, would you, taking into consideration the different circumstances, make any difference in your quotations?—No. I do not see that I would, because the man would have been acting in a friendly way and I would give him a present simply as a recognition of his using his utmost endeavours to get me this contract.

By Mr. Chapleau :

1666. Would it alter your price?—No; I may say I would not like to pay 10 per cent or any per cent, I would simply do this as a recognition of his good-will.

By Mr. Hyman :

1667. It makes no difference whether you do it or not so far as the prices are concerned?—Well, I suppose I would have some leaning towards this as anybody would.

By Mr. McMullen :

1668. You sell your goods at a price in order to enable you to give these presents?—Sometimes I do.

1669. When you sell goods, you do it at such a price as would enable you to make the present?—Well, I suppose so.

1670. The general profits that you make upon your business are such as to enable you to sell the goods and give presents?—Certainly.

1671. And if you did not make these presents could you afford to sell your goods cheaper?—Well, it is the understood custom.

1672. If you do not make presents could you afford to sell your goods cheaper?—That is a matter of custom.

1673. I am asking you whether if you gave no present, it would enable you to sell your goods cheaper?—Well, I would have no object in giving a present unless I thought it would bring me custom.

1674. But would it not enable you, if you gave no present, to sell your goods at a lower price?—No.

By Mr. Lister :

1675. Is that the only way you can sell your goods by giving these presents ?—No ; but it is quite customary to give them.

By Mr. Sproule :

1676. Is it not a fact that in most of the goods you sell the prices are according to a schedule fixed by the manufacturer and that you do not make your prices yourself ?—Yes. I make the prices of my own goods, but the goods that we sell for other manufacturers have to be sold according to certain prices, so far as they are concerned, I do not cut down a cent for anybody. Where I sell goods of my own, I do the same way.

1677. What I want to know is this, many of your prices are schedule prices made by firms for whom you sell, therefore you cannot control or alter the prices ?—That is so. I can give away a portion of my own percentage, but I cannot change the schedule prices.

1678. You do not sell your goods any higher on account of any gift you make ?—I cannot sell them higher than public competition will enable me to do.

1679. There is competition ?—Yes. If we put on a higher price anyone can find out where the goods can be obtained cheaper.

By Mr. Chapleau :

1680. I will put a question which will be a very simple one. Would the fact of your having made a present to the Superintendent of the Printing Bureau alter by one single dollar the price that you would have charged for the goods ?—No, sir ; because I put my estimate in. I do not get the whole of the estimate, but I get a great deal of it.

By Mr. Lister :

1681. There is this about it, is there not, that Mr. Senécal taking money from you was rather in your power, was he not ?—No ; I do not see that. I do not think I had him in my power at all.

1682. You would feel that you rather had him under you ?—I do not see that I had.

By Mr. Somerville :

1683. Did you supply any ruling machines to the Government Printing Bureau ?—Yes. I supplied some Hiccocks which are considered the best. We have been selling the same goods for many years.

1684. How many years ?—8 or 9 years.

1685. Well, how many ruling orders have you sold to the Printing Bureau ?—I think it was about 5 or 6.

1686. It was a large order at all events ?—It was a good order.

1687. Did you ever sell a private individual so many ruling machines ?—No private individual would require so many.

1688. It was the largest order you ever got ?—No.

By Mr. Chapleau :

1689. You have not dealt with Government here, I suppose ?—No. It is the best machine in the market. Manufactured by Hiccocks at Harrisburg. The article is well known, they are considered the best manufacturers. You cannot get the same quality here or anywhere else. There is only one other firm of manufacturers in the United States—Piper, Springfield—who manufacture these machines, and if you compare the two you will find that the one is infinitely superior to the other.

1690. Were the prices agreed upon by the Department dear—do you consider them to be heavy prices or would you consider them to be fair market prices or on the low side ?—The average price, perhaps a little on the low side.

By Mr. Somerville :

1691. What other class of machine did you supply the Printing Bureau?—There were several other perforating machines, stamping press and a Standard Press.

F. HAYTER, called, sworn and examined :—

By Mr. Lister :

1692. You are in the Auditor General's office?—Yes.

1693. In what position?—Chief clerk.

1694. Will you tell the Committee whether you have made a search and whether you have found the vouchers relating to the purchase of printing paper made in the years 1887-88?—I went down to the Stationery Office and got the order and told them to check them off the list. I did not find any vouchers; I think it was mentioned in the letter.

1695. This is the letter written by the Auditor General with reference to that:

“ AUDITOR GENERAL'S OFFICE,
“ OTTAWA, Aug. 24th, '91.

“ DEAR SIR,—With this I forward the vouchers for the purchase of printing paper during the fiscal years 1886-87 and '88-89.

“ The vouchers for the intervening year, 1887-88, cannot be found either here or at the Stationery Office. The expenditure will be found detailed at page G-76 of my Report for 1887-88.

“ I have the honour to be, Sir,

“ Your obedient servant,

“ J. L. McDOUGALL.

“ Auditor General.”

“ E. P. HARTNEY, Esq.,

“ Clerk, Public Accounts Committee.”

The vouchers could not be found?—The vouchers were not there.

1696. You made a thorough search?—Yes.

1697. And you were unable to find them?—Yes.

By Mr. McMullan :

1698. Have you ever missed any papers from your own Department or any other Department before?—Do you refer to the same class of transaction?

1699. I refer to anything?—Well, papers might go astray, but I always expect to get them again.

1700. Have you ever been under the necessity of making a search for papers as extensive as these and not been able to find them?—No.

By Mr. Chapleau :

1701. In the year 1886-87 who was the officer of the Department in charge of these?—Mr. Young.

1702. And in 1887-88?—I am not aware whether it was Mr Young or Mr. Bronskill. It was, perhaps, in the interval between the two.

1703. Mr. Bronskill came in 1888?—Yes.

F. B. POLSON, called, sworn and examined :—

By Mr. Lister :

1704. You are a member of the Polson Iron Works Co.?—I am.

1705. Is it a joint stock company or a partnership concern?—Joint stock.

1706. What position do you occupy?—I am managing director.

1707. Did you, during the past four years, furnish any machinery to the Printing Bureau?—We furnished a pair of engines and three boilers.

1708. When would that be?—1888, I think it was.
1709. And the machinery to connect?—The necessary pipe work and setting up.
1710. Might I ask what the price of that order was?—Something over \$6,000.
1711. Since 1888, have you put in any further machinery?—Yes; we have put further machinery in the Printing Bureau.
1712. What?—Another engine for running the electric light.
1713. Anything more than that engine?—No, sir.
1714. What did that amount to?—I think it was \$1,800.
1715. Then did I understand you to say that the total value of the stuff furnished by you for the Printing Bureau amounted to about \$7,800?—The first order was about \$6,100, and the subsequent engine for the electric light was about \$1,800.
1716. \$7,900 in all. With whom did you negotiate for the sale of those engines?—The first order I got through Mr. Senécal in Toronto, and the second one was through Messrs. Ahearn & Soper, of Ottawa.
1717. In the second order you dealt with Ahearn & Soper altogether?—I did.
1718. You had nothing to do with Mr. Senécal?—No.
1719. Who set these engines up—your people?—The first order was set up completely by us, but the second one we did not. We delivered that F.O.B.
1720. Did you apply for the order for the steam engines to Senécal or did he go to you?—He came to our works.
1721. During that time, before or after the time you furnished these engines and boilers, did you pay Mr. Senécal any money for himself?—I did afterward.
1722. How long afterward?—I cannot tell how long. It would only be a short time after; about a week or so.
1723. How much did you pay him?—\$520.
1724. Where was that money paid?—In the Ontario Bank, Toronto.
1725. In cash or by cheque?—I drew a cheque and identified him.
1726. You drew a cheque payable to him and then went to the bank and identified him as the payee?—Yes.
1727. When you took the contract for these engines and boilers did you have any idea that you were to pay him anything?—The sale came about in this way: Mr. Senécal came to our works and we showed him through them. He said they wanted an outfit for the Printing Bureau of boilers and engines, and he said we would have to compete with three other firms in trying for the contract and he would give the order to the lowest tender. There was another gentleman with Mr. Senécal who told me that if I got the contract I would have to give him 10 per cent.
1728. Give who 10 per cent?—Senécal.
1729. Where was Senécal when he told you that?—He was not within hearing distance.
1730. Who was this other gentleman?—I would rather not give his name.
1731. But I want it?—It was Mr. Patterson.
1732. Mr. Patterson introduced him to you?—Yes.
1733. Mr. Senécal told you you would have to compete with three others, and Mr. Patterson said if he bought from you you would have to give him 10 per cent?—Yes.
1734. And you gave him 10 per cent?—Yes.
1735. How much would 10 per cent be?—Our first order was, I think, \$5,200. After that it was decided that two boilers were not enough to give good results, and they ordered another at the same figure.
1736. You just gave him \$520, which would be 10 per cent.?—Yes.
1737. Subsequently he thought two boilers would not be enough and he ordered another. How much did that come to?—That with the brickwork together made the order \$6,100.
1738. Did you pay a commission on that additional \$900?—No; I did not.
1739. Did you ever pay him any other money?—No.
1740. \$520 was the only money ever paid by your firm?—He borrowed from me about a year after that, I think in Toronto, \$20.

1741. Is that all that was ever paid him or anybody else?—Yes.

By the Chairman :

1742. Did he pay that money back to you?—No, sir.

By Mr. Lister :

1743. Do you know the engineer down there?—Yes.

1744. What is his name?—Thompson.

1745. Did you have any trouble with Thompson?—No, sir.

1746. Did he object to the machinery?—We did not send any machinery that he could object to.

1747. Did he make any objection?—No.

1748. And you never paid Mr. Thompson anything?—No, sir.

1749. And he never demanded anything?—No, sir.

1750. Do you know Mr. Dunn there?—No, sir.

By Mr. Foster :

1751. In the first order that you got you made the arrangement with Mr. Senécal?—Yes.

1752. Were the prices fixed before you had the information about this 10 per cent business?—They were fixed afterwards.

1753. Did you make your prices so much higher that you could afford to give the 10 per cent without loss?—I determined to have the order if I could possibly get it, because it was a very good place to have a pair of engines. It is a place visited by a great many people. Mr. Senécal told me that I would have to give close prices as I was competing with three other firms.

1754. How did your prices compare with ordinary prices?—About 5 per cent lower.

1755. You say you did not add anything to the price to recoup yourself for this percentage?—I say so distinctly. We were paying out of our pockets 10 per cent to Mr. Senécal.

1756. Is it your practice in your business to make these little *douceurs* to gain good will?—Not unless we are forced to do so.

1757. The practice of others forced you?—I was determined to get that order, and I paid 10 per cent to do so.

By Mr. Barron :

1758. You say you did not adopt this practice unless you were forced to?—Yes.

1759. Then you were forced in this case?—I understood I would have to give 10 per cent to get this order.

By Mr. Costigan :

1760. Did you understand that if you paid this 10 per cent that you would get the contract if you were not the lowest tenderer?—No; I understood we would not get it unless our tender was the lowest.

By Mr. Lister :

1761. You were told at the same time that if you got the contract you would have to pay 10 per cent.?—Yes.

By Mr. Hyman :

1762. Were you asked for any commission on the last order?—No.

By Mr. Chapleau :

1763. Did you think that the Printing Bureau was treating you with special favour afterward because you had paid this 10 per cent.?—I think we had Mr. Senécal's good-will. I think if any other manufacturer went there Mr. Senécal would show him around. It was an advertisement.

By Mr. Lister :

1764. It was a pretty dear advertisement?—Not very. I sold another good order from that afterwards.

1765. Who to?—Mr. Eddy.

By Mr. Chapleau :

1766. When you supplied the second engine for the electric light there was some correspondence between you and the Department about the price. I think you thought you had not been dealt with fairly, and you thought the order should have been directed to you?—The price of the first was so low that we certainly thought that we were entitled to the second engine.

1767. Did you get any special consideration on that?—No; not a particle.

By Mr. Lister :

1768. Your correspondence was with the Secretary of State?—No; Mr. Senecal.

1769. Did you recall about the 10 per cent.?—No.

LAUNCELOT MONTGOMERY called, sworn and examined :—

By Mr. Lister :

1770. What do you deal in?—Mill, steamboat and engineers' supplies.

1771. Including belting?—Everything required in that line.

1772. You are a member of the firm of Montgomery, Woods & Co.?—Yes.

1773. And carry on business in Toronto?—Yes.

1774. Had you occasion to deal with the Printing Bureau through Mr. Senécal?
—I had.

1775. Will you state when your dealings first commenced?—In the fall of 1888, or the beginning of 1889.

1776. How long did they continue?—Right up to the present spring.

1777. Can you give the Committee an idea of the aggregate value of the goods sold to the Printing Bureau during that time?—Our account with him was very small. I think it was in the aggregate somewhere in the neighbourhood of \$1,200.

1778. Who did you deal with?—Mr. Senécal.

1779. Will you state to the Committee whether or not Mr. Senécal got any money from you?—I never gave him a cent.

1780. Nor any member of the concern?—No.

1781. No percentage for him?—No percentage. I gave him no money.

1782. Did you do anything for him?—What do you mean?

1783. You are to tell the whole truth in connection with your sales to the Printing Bureau.—The only accommodation that ever he got was as he was going through Toronto on one of his western trips, and I loaned him—I think that was all I had in my pocket—\$27. I gave that to him.

1784. Has he ever paid it back?—No sir; he has not.

1785. You did not take a due bill?—No; being a friend, I would not ask him for a small thing like that.

1786. Then the business of Montgomery & Co. never gave to Mr. Senécal any money by loan, gift or in any other way with the exception of \$27 and no member or servant of the company ever paid any money to your knowledge?—I handled all the funds.

1787. Did he ever ask you for a commission?—No.

1788. Never said anything about it?—No. Mr. Senécal was particular about getting very close prices every time. I have sold him goods and he has afterward told me, when giving a duplicate order, that he could buy the same article for half a cent a pound lower; but as I had been dealing with them he would give me the preference.

1789. Your dealings only covered 1889 and the spring of 1891?—Yes.

1790. And the whole only amounted to \$1,200?—Yes.

By Mr. Chapleau :

1791. When the Superintendent told you he could get these goods half a cent a pound lower, did you make the reduction?—I did. I was here soliciting an order myself and called to see if I could do anything with him. I think the article was cotton waste, and he said, yes, they wanted it, but they could get it half a cent lower; but if I would reduce by that amount they would give me the preference.

By Mr. Hyman :

1792. What did the order amount to?—\$60 or \$70.

By Mr. Lister :

1793. Did you ever make any present to anybody in the Bureau?—No, sir; I am not acquainted with anybody in the Bureau except Mr. Thompson.

1794. Did you make him a present?—No.

By Mr. Barron :

1795. Did you ever give to Mr. Senécal any present other than money?—No, sir.

1796. Nor to any of his family?—I do not know a member of his family nor ever met them.

1797. Nor any person for them?—No.

J. T. JOHNSTON, re-called, again sworn and further examined:—

By Mr. Lister :

1798. On the last occasion you were examined before this Committee, you stated that you sold to the Printing Bureau about \$10,000 worth of type, and so on?—I admitted the figures that you had, Mr. Lister.

1799. I want to ask you whether your sales to the Bureau did not exceed \$10,000?—They did; I have looked into it since.

1800. How much did your total sales amount to?—Somewhere between \$16,000 and \$17,000.

1801. You were asked about the amount you had paid to Mr. Senécal, and you gave the Committee to understand it was over \$1,000, but you did not say how much over. I ask you to be more particular about that statement? Let us know as nearly as you can, the total amount of money paid to Mr. Senécal?—It was about \$1,500 as nearly as I can remember.

1802. Have you taken the trouble, since you were here last, to refresh your memory as to the exact amount you paid to Senécal?—As far as I could?

1803. And you can trace up an amount, say, of about \$1,500?—Well, I can hardly trace it up, but by the demands Mr. Senécal made, and the amounts which were about 10 per cent each time I got a cheque, and as I did not pay him always all he asked, I fancy I got off for about \$1,500.

1804. Have you, since your last examination, met Senécal in Patterson's place in Toronto?—Since my last examination?

1805. Or before your last examination, in Patterson's office?—In my office.

1806. Was Patterson present?—No.

1807. What was the object of his visit?—That I don't know.

1808. Was anything said about this investigation?—Oh, I suppose he mentioned it.

1809. Did he say anything about covering up the charge, to see what you would swear to?—I don't think the conversation took that turn at all. Mr. Senécal was given distinctly to understand that the truth would have to be told.

1810. He was given to understand that the truth would have to be told when you were put into the box?—Distinctly.

1811. Then, of course, there was some conversation about the pending investigation?—Oh, yes; it was mentioned of course.

1812. That, I suppose, was the object of his visit to you? He had no business with you?—None at all.

1813. You stated that you paid to him about 10 per cent on the purchases made by the Bureau, and sometimes you got off for a little less. Now, will you explain how that was? An order was given by him to you for goods and I suppose a cheque would be sent from the department for the price of the goods?—Just so.

1814. Well, how long after that would it be before you paid him a commission?—Almost immediately after the receipt of the cheque on several occasions; sometimes it was some time after.

1815. Almost immediately after the receipt of the cheque you would pay him his commission?—Yes.

1816. Where would you pay it?—Generally in Toronto.

1817. How would you arrange with him, if he did not go to Toronto?—He would not get the money.

1818. What was the amount of the first order that you got from him?—About \$6,000 I think.

1819. The first order was about \$6,000?—Between five and six.

1820. Did you know, at the time that that order was given you would have to contribute to Mr. Senécal?—I did not understand it then.

1821. I suppose you cut down your prices pretty reasonably?—My prices were very reasonable indeed.

1822. When did you first learn you had to pay the commission?—When I got my first cheque from the department.

1823. Where did you see him?—In my office.

1824. How long after the cheque was received?—I think the letter carrier had been just about in with it.

1825. And when did you see Senécal, before or after you had opened the letter?—The time was so close I would not like to swear, it was before or after, or at the time.

1826. Before or after or at the time the first payment was made?—Yes.

1827. What did he say, or what did you say to him? What was the conversation?—He said he was a little short and he wanted me to let him have some money.

1828. Well, what did you say to him about that? Did it surprise you?—Well a request of that kind would not surprise me because a man might be a little short of money, you know, a little way from home, and he might want to borrow \$10 or \$15 to take him home.

1829. Then what did he say? Just tell me as nearly as your recollection will allow, the conversation which took place between you and Senécal?—We left the office and went out to have a cigar, and outside he made this remark about being short of money, and I suppose I said: "Well, that's all right." Then he asked me. I think he refreshed his memory from some document he may have had in his pocket, and he asked me for \$100. The amount of the cheque I had just received was, I think, the figure you had here the other day, nine hundred or eight hundred odd dollars, or something like that. I remonstrated with Mr. Senécal on the subject, but it was of no avail.

1830. What did you say to him?—Well, I did not like to idea of doing it, and I objected to it, but I finally gave him the money.

1831. What did he say when you raised your objections?—Well, he said the others had to all do it.

1832. Do what?—Give him this money.

1833. The others had all to do it, and you had to do it too? Was 10 per cent mentioned?—No; but it would occur to anybody that is what it was.

1834. He said they all had to do it?—(No answer).

1835. Was that all that was said?—I do not remember the whole conversation. I should think that would give you a fair idea of how it was.

1836. Then you began to appreciate the fact that you were not getting all the profits?—It appeared so.

1837. That was the first time. Then you sold to the extent of \$14,000 after that, and do you wish the Committee to understand that on every sale made by you to the Bureau that you had to pay commission to Mr. Sénécal, and did pay him commission?—I have not put it in the way of sales made to the Bureau; I put it on the receipt of cheques, that was the time Mr. Sénécal came to see me.

1838. On each occasion?—Sometimes a little later.

1839. On each occasion?—Sometimes a few days afterwards or perhaps a little later. It was always after the receipt of the cheque.

1840. He would call on you?—Yes.

1841. And then you would square up the matter?—I suppose that is it.

1842. Did you always pay him by cheque or sometimes by cheque and by cash?—I always paid him by cash.

1843. So that after that first interview when he asked you for \$100, you then became aware of the fact that in future Mr. Sénécal had to have a little toll?—I fancy such an idea as that dawned upon me.

1844. Do you remember agreeing to sell to the Printing Bureau electrotyping metal at 15 cents a pound?—Yes.

1845. Did you get the order?—I think I did; nearly all they used of it.

1846. Was any part of the order given to Croil?—That I do not know for certain. You would require to ask him about that.

1847. You do not know that as a matter of fact?—No; I may say that that 15 cents a pound which I sold the goods for is the price between manufacturer and manufacturer, and no customer of mine ever got it at such a figure.

1848. Do you know that Croil supplied some at 20 cents?—I do not know anything about that.

1849. You have heard that he got an order?—I heard so, but not for the same goods.

1850. Did you and Patterson and Sénécal have an interview together—a meeting together any time within the last four or five weeks?—On the same morning that you referred to a few moments ago, when Mr. Sénécal was in my office, he asked me to walk up with him to Patterson's office. I accompanied him.

1851. Was Mr. Reid there; was Mr. Ellis there?—Neither was there.

1852. There was simply Patterson, yourself and Mr. Sénécal?—That is all.

1853. What was the object of that visit?—I have no idea. I simply accompanied Mr. Sénécal in a friendly way, as he asked me to walk up street with him.

1854. Was anything said about the investigation at Ottawa?—The conversation would be about the same as I have already told you transpired in my office.

1855. Did Sénécal go to see Patterson about this investigation?—He was in Toronto; probably he spoke about it.

1856. Have you no recollection of what took place?—I have not. I did not care to have an interview with Mr. Sénécal at that time, knowing that in the course of a few days I would be here at Ottawa to answer questions on this subject. I had very little to say to him.

1857. You remember the day of your last examination before the Committee?—Yes.

1858. Did you see Mr. Sénécal that morning before coming here to be examined?—I did.

1859. Where did you see him?—At his house.

1860. Did you go to his house to see him?—I drove there; yes.

1861. What time in the morning would that be?—Between 9 and 10.

1862. Did you or Mr. Sénécal drive to Mr. Chapleau's house that morning?—We did.

1863. Before this Committee met?—Yes.

1864. How long were you there?—A very few minutes.

1865. Who suggested that you should go there?—Mr. Senécal suggested that I should go with him.

1866. What did he want you to go with for?—I am sure I have no idea.

1867. Was this investigation the cause of your visit?—To Mr. Chapleau?

1868. Yes.—We did have some conversation on the matter. I inferred that Mr. Chapleau did not understand that these amounts had been exacted by Mr. Senécal. Mr. Chapleau informed me when I came here, that I would have to tell the story as it occurred.

1869. You told him you had paid these sums of money?—I did not say that in so many words, but doubtless he inferred from my manner that I had paid Senécal something.

1870. And Senécal took you to Mr. Chapleau for that purpose—to tell him that you had paid Senécal money?—I do not know for what purpose he took me.

1871. He did not suggest even?—He did not suggest anything.

1872. What were you to go for then?—I suppose Senécal had some business with Mr. Chapleau, and we simply drove together to his house.

WILLIAM J. SYKES, called, sworn and examined:—

By Mr. Lister :

1873. What is your business?—Grocer.

1874. Where do you carry on business?—At 326 College Street, Toronto.

1875. How long have you been in that business?—About three years.

1876. Do you know Mr. Senécal?—No.

1877. Not at all?—No.

1878. You never had any dealings with him?—No.

1879. You know nothing about him?—No; except what I have read in the papers.

JAMES D. HUMPHREYS, called, sworn and examined:

By Mr. Lister :

1880. You represent the Gutta Percha Company of Toronto?—Yes.

1881. As agent?—Yes.

1882. Did you sell any goods to the Printing Bureau?—I sold a small bill of belting in 1889. I think it was in August. A very small bill.

1883. That is all you ever sold?—That is all I ever sold; the amount was \$70 odd.

1884. Did you ever try to get any member to use his influence with the department to secure orders for you?—Yes, sir. I tried to get members to put in a good word for us.

1885. Have you ever paid anybody for doing that?—No.

1886. Did you ever pay Mr. Senécal any commission or give him any money?—Not a cent.

1887. And your whole order amounted to \$70?—\$75 or \$76.

R. G. STARKE called, sworn and examined:—

By Mr. Lister :

1888. What is your position in the Dominion Type Foundry?—I am President of the Company at present.

1889. What position does Mr. Crosby occupy?—He is manager.

1890. Where is Mr. Crosby?—Well, he is at Vancouver at this moment. I believe that the Committee received a telegram from him this morning.

1891. May I ask you when he left for Vancouver?—He left about three weeks ago.

1892. I notice by the list of stuff sold that the Dominion Type Foundry has supplied a large quantity of type to the Dominion Government for the use of the Printing Bureau?—Yes.

1893. Can you tell how much in all the total value of the stuff sold to the Government would be?—I have a memorandum in my pocket of the stuff that was sold, as far as I can make out, I think it was between 115,000 and 120,000 lbs. of type.

1894. And the value?—\$41,822.

1895. And besides type what else did you sell?—Nothing—well, there may have been some brass rules.

1896. The account shows \$41,861.11 taken from the bills rendered by the company?—There may have been some account for brass rules. I am just speaking of type alone.

1897. Who were the negotiations for the purchase of type carried on by?—On our side?

1898. Yes.—Mr. Crosby. All business would be done with him, he is the manager of the company.

1899. When do you expect Mr. Crosby back?—He can be here very soon if you require him.

1900. When will he be back?—He will be back, I should think, within a few days. He is at Vancouver, and he will probably come straight to Ottawa in view of your requiring him.

1901. Mr. Crosby is the man who negotiated with Mr. Senécal for the sale of this stuff?

Mr. CHAPLEAU.—Not Mr. Senécal, but the department.

Yes, Mr. Crosby is the man.

1902. You had nothing to do with it?—No; I was not president of the company at the time.

1903. Had you any connection with the company?—Yes.

1904. Officially?—Yes.

1905. What?—I was vice-president.

Mr. CHAPLEAU.—Will you read the last question.

Questions read.

Mr. CHAPLEAU.—That is not the question, it was not Mr. Senécal, but the department that Mr. Crosby would negotiate with.

Mr. LISTER.—I mentioned Mr. Senécal, and he answered in the affirmative that Mr. Crosby was the man who negotiated. Do you know who Mr. Crosby negotiated with?—I do not; I cannot say whether it was Mr. Senécal or Mr. Chamberlin.

1906. Did you ever see Mr. Senécal in the office of the company?—Yes, he has called in the office occasionally. I have seen him there.

1907. Now, Mr. Stark, do you know or have you been informed by Mr. Crosby of payments being made to Mr. Senécal either as a gift, loan or in any other way?

Mr. CHAPLEAU.—I think this ought to be objected to?—Not my own personal experience.

1908. I will ask you if Mr. Crosby told you of any payment being made to him?

Mr. WOOD (Brockville) objected.

The CHAIRMAN.—Do you know of any money being paid to him?

Mr. LISTER.—I will put the question as I want it and then it can be objected to if it is seen fit. Did your manager, Mr. Crosby, ever tell you or did anybody else in your employ ever tell you that money had been paid for or on behalf of your company to Mr. Senécal by way of loan, gift or commission charged?

Mr. WOOD (Brockville).—Mr. Lister has put quite a different question now? I have no objection to that question.

Mr. LISTER.—Will you answer that question, Mr. Starke?—I have not heard that money had been paid by him to Mr. Senécal, but I inferred that money had been paid to him. Of course I never negotiated with Mr. Senécal, I had no practical knowledge of it.

1909. The question is whether you have been told by any of your officials or whether you know it from your books or any sources that money has been paid to Mr. Senécal?—I believe money has been paid to Mr. Senécal, but not by me.

1910. Why did you believe it?—In the course of my communication with the company I had probably heard it. I cannot give you the particular incidence of the thing. I do not know how I could speak positively.

1911. I am only asking you to state what some of your employees have told you or what you have come across as president of the company, or vice-president of the company?—As I have been telling you, I was not the president of the company at that time. I believe Mr. Alexander Murray was president and Mr. Crosby was manager at that time. I think Mr. Crosby could furnish you with such information.

1912. But he is not here?—He has offered to come down here this morning.

1913. At the cost of the country?—He has been sent by the Board to Winnipeg and the West.

1914. Did Mr. Crosby or any other member of your company, tell you that moneys have been paid to Mr. Senécal, or do you know it from your books or in any other way?—I believe that money was paid to Mr. Senécal, but I could not give you any particular instances.

1915. I am not asking you for particular instances. I want to know if it is a fact that money was paid to Senécal?—I think so.

1916. Have you any doubt about it?—I cannot say that I have.

By the Chairman :

1917. Do you know so?—I inferred from what I understood from Mr. Crosby that he paid some money to Mr. Senécal.

By Mr. Lister :

1918. Having got that far, perhaps you will be good enough to tell us as far as you can about the amount he paid to Mr. Senécal?—I cannot tell you anything about that.

1919. You don't know how the moneys of the company were spent?—It was before my days of office.

1920. You were vice-president?—But not president of the company.

1921. Who was president then?—Mr. Alexander Murray.

1922. He is dead?—Yes.

1923. There is no entry in your books?—I have not looked into the books.

1924. Who is your book-keeper?—Mr. P. A. Scott.

1925. If you were told by some of these parties that money had been paid to Mr. Senécal some idea would have been given of the amount. Would it be \$5,000 or \$10,000?—I cannot say.

1926. Would it be \$5,000?—I do not know what it might have been. I was not acting as manager or as president, and I had nothing to do with it.

1927. This must have been a subject of talk amongst the members of the company?—I cannot say what was paid.

1928. Can you form an idea?—No.

1929. No idea at all?—I have never examined it.

1930. You cannot say whether it was \$500 or \$5,000?—It could not have been \$5,000.

1931. You do not believe it was \$6,000?—No; nor anything like it.

1932. Did you pay a little sum yourself?—If you had asked me that question before I could have told you. Do you mean since I have been president of the company?

1933. Yes, or before?—I never paid money to Mr. Senécal except once, when I was president of the company, he received a cheque for \$200. That is the only personal knowledge I have of his having received money from the company.

1934. When was that?—I think it was about a year ago—not quite a year ago.

1935. Where was that cheque given?—In the office. He came into the office of the company and got this amount.

1936. Did he ask for it?—He found me there.

1937. What did he say?—He wanted a cheque. There was a cheque there, at all events, and I signed it and he took it.

1938. He came in and wanted a cheque, and do I understand you to say that a cheque had been drawn out and was signed by Mr. Crosby?—Yes.

1939. Mr. Crosby was not there?—No; he was not in town.

1940. Did you understand who this cheque was for?—Yes.

1941. You knew it was for Senécal?—Yes.

1942. You expected a visit from Senécal?—I did not expect a visit until that morning when I happened to see this cheque. I did not know what it was about at first.

1943. Did you see the cheque before Mr. Senécal came into the office?—Yes.

1944. Did anybody tell you that that particular cheque was to be given to Mr. Senécal?—Yes.

1945. Who told you that?—I do not know that anyone told me.

1946. How did you know it was to go to Mr. Senécal? Was it made payable to him?—I would not like to swear that it was—whether it was made payable to him or not.

1947. How did you know that that particular cheque was for Mr. Senécal?—He was directed to come to me and get it.

1948. Who told him to come to you?—It might have been either the manager or the book-keeper.

1949. Did he tell you he had been directed to come to you for the cheque?—He certainly asked me for the cheque, and I understood it was for him.

1950. Who from?—Either the book-keeper or the manager.

1951. That that particular cheque was for him. And it was signed by Crosby and Crosby was away at that time?—Yes.

1952. Was anything further said between you and Mr. Senécal?—No; nothing further than I asked him if he intended to give us an order or something of that sort; but I had no conversation with him about the money.

1953. You had no further conversation?—Nothing that I remember of.

1954. He did not say what this was for?—It was considered as a gratuity that was due to him.

1955. Did he say it was a donation?—That is my impression. I never thought at the time what it was.

1956. He said it was due to him?—No; not due to him. What I meant was that it was a gratuity. I did not know what was due to him or what was not. I never heard of any system of percentages being given to Mr. Senécal.

1957. Was this charge put in the books of the company?—No; I never had it charged.

1958. How did you balance up your profits?—The book-keeper could tell you about that.

1959. Then, that is the first you ever knew he was getting gratuities?—That is the first personal experience I had.

1960. You knew, as a matter of fact, that he was getting it for that?—I could infer that—gifts of that character.

RICHARD WHITE called, sworn and examined :—

By Mr. Lister :

1961. You live in Montreal?—I do.

1962. You are a member of the *Montreal Gazette* Company?—I am.
1963. You know Mr. Bronskill?—I do.
1964. Was he in your employ or the employ of your company?—He was for or two or three, or perhaps four years.
1965. He was subsequently appointed to the office of Superintendent of Stationery?—He was.
1966. Had you anything to do in the way of obtaining that appointment for him?—I had in this sense: That Mr. Chapleau asked me if I knew anybody who was familiar with stationery, and who would be likely to fill a position of that kind. I told him that we had a man in our employ who would be likely to suit, and it would probably be a better position than with us; that I would like to see him promoted and get a better position. I recommended him to Mr. Chapleau in that way.
1967. Have you any interest in the Canada Paper Company?—I have not.
1968. No interest whatever?—None whatever.
1969. You never had?—Never had.
1970. Did you ever interest yourself in any way in getting patronage from the Department for the Canada Paper Company?—I have to the extent of simply saying to Mr. Chapleau, and I may have said so to Mr. Bronskill, that other things being equal, that I was very friendly with them, and that I should be very glad to see anything put in their way that could be.
1971. You may have said that to Mr. Bronskill?—I have said so.
1972. More than once?—Possibly.
1973. Have you frequently said so?—Well, the matter would not come up frequently, I don't suppose I met Mr. Bronskill, while he was in the employ of the Government, more than at intervals of two or three months; but if there was a question coming up and I met Mr. Bronskill, I would have no hesitation in saying to him I would like to see it given to my friend Macfarlane, of the Canada Paper Company.
1974. Have you spoken more than once to Mr. Chapleau about it?—Possibly, in the same sense, and to the same extent.
1975. Were you asked to do so by Mr. Macfarlane?—Yes; I may have. I have no recollection of any specific time, but I have no doubt at all if Mr. Macfarlane knew I was coming to Ottawa he might say: "If you happen to see the Minister, and can do us a good turn, I wish you would." "Certainly," I would say.
1976. You know, of course, Mr. White, the Canada Paper Company received very large orders?—I know they do a very large business; I don't know anything about the amount of it, but I have no doubt of the fact they had received very large orders.
1977. Have you had much business with the Canada Paper Company?—We have a very large account with them, from time to time, and have had for the last thirty years.
1978. Do you know what kind of paper they furnish to the Department?—No; I don't know anything about the details of any order. I know in a general way they have been supplying paper, and I have assumed it is printing paper.
1979. There is another gentleman in the Department of Stationery recommended by you?—I do not recall him at the moment.
1980. Do you not remember his name?—I do not recollect at the moment.
1981. Then there was no other conversation or dealing between you and the Canada Paper Company, more than that Mr. Macfarlane asked you to use your influence with Mr. Chapleau in their interest?—If you will permit me to say it, Mr. Lister, I have never had any consideration, or I have never given any consideration, or I have never been promised any consideration, either from the Canada Paper Company or the Minister, or the employés in any shape or form.
1982. For your influence?—My influence or anything that has been done; nor, as far as I know, have they ever received or have they ever paid anything.

JOHN MACFARLANE called, sworn and examined:—

By Mr. Lister :

1983. What is your position in the Canada Paper Company?—Vice-President and Managing Director.

1984. How long have you occupied an official position in that company?—Twenty-five years, but I have been in connection with the company ever since its formation thirty-one years ago.

By Mr. Chapleau :

1985. And Manager since when?—Vice-President for fifteen years and Manager for eleven years.

By Mr. Lister :

1986. You sell paper to the Dominion Government?—We do.

1987. How long have you been selling?—I should think for fifteen or twenty years.

1988. Do you sell under a contract, or are the orders sent to you just when they may be required by the Department?—No; both ways. We have some under contract, and orders are occasionally sent in for various kinds of papers.

1989. How long is your contract for, and when was it entered into?—The present contract was entered into last July; it is not for a period of time, it is for a certain quantity.

1990. And for a period of time, I should think?—No; it is for a certain quantity of paper. They asked for tenders for a certain quantity of paper. Some years ago they used to give contracts for five years at a time, but for the last four years, or perhaps a little less than that, they are for tenders for a certain number of reams of paper.

1991. You have a contract, though, for a portion of the paper required by the Government?—We have.

1992. What portion of the paper is that?—It is what we call double royal, 60 lbs.

1993. Is that contract drawn up in the regular way?—I think so.

1994. For how many years?—For no number of years; for 5,000 reams or 5,500. It is estimated by the year's supply, I believe.

1995. Then you have no contract with the Government at all for a number of years?—No.

1996. Your contract is from year to year?—Yes; it is for a certain quantity of reams. If that quantity were called for within three months the contract would be ended. If it were not called for until a year and a-half the contract would go on during that time.

1997. It would be you who spoke to Mr. Richard White to ask his influence with the Government?—It was I.

1998. How often have you spoken to him?—Whenever we have had occasion to tender for paper. If Mr. White were anywhere near me I would ask him to put in a good word for us.

1999. In the hope, I suppose, that his influence might help you to get the contract?—That would be the expectation.

2000. That is all it would amount to. It was a matter of friendship between you and Mr. White?—That is all. We have been friends for over 40 years. We were at school together.

2001. It is just as Mr. White said it was?—Precisely; there is nothing behind it in any shape or form.

2002. Did you sell paper to *La Presse*?—We did.

2003. Have you any contract for that?—We have.

2004. When did you enter into a contract for *La Presse*?—About a year and a-half ago.

2005. It is a written contract?—It is. We have had a contract with *La Presse* before, running back to the time the paper was started, but it has been lost from time to time and others have got it. We got it back again a year and a-half ago.

2006. That contract is in writing?—Yes.

2007. Is *La Presse* an incorporated company?—I do not think it is. It is Mr. Berthiaume, I think; but I am not positive. We have the contract with Mr. Berthiaume.

2008. That contract was entered into about a year and a-half ago?—Yes.

2009. Are you perfectly accurate as to the time?—I can give you the time. I have a note of it in my memorandum book. We made a contract with them in February, 1890, for two years.

2010. To supply them, I suppose, for all the paper they require?—To supply them with the paper required for *La Presse* newspaper.

2011. You know, of course, that the New England Paper Company had a contract with *La Presse*?—I heard so; I was aware of the fact.

2012. And I suppose you are also aware of the fact that *La Presse* was indebted to the New England Paper Company to the extent of \$8,000 or thereabouts?—I was told so at the time by Mr. Berthiaume.

2013. I ask you, Mr. Macfarlane, whether or not your company advanced money to *La Presse* to enable them to pay off the New England Paper Company?—We advanced them a certain sum of money, but whether explicitly for that purpose or not I am not prepared to say. I can give you the particulars of it.

By Mr. Chapleau :

2014. Do you say you advanced the money to the company or to Mr. Berthiaume?—It was to Mr. Berthiaume we advanced the money. I have said our dealings were altogether with Mr. Berthiaume. I recognize him as the proprietor of *La Presse*.

Mr. CHAPLEAU.—I may state to the Committee that Mr. Macfarlane is not quite correct in his statement with regard to *La Presse* Company. There is an incorporated company, but Mr. Berthiaume is the lessee of the paper.

By Mr. Lister :

2015. With whom did you enter into this arrangement?—The arrangement was entered into with Mr. Berthiaume for *La Presse* in February, 1890.

2016. You advanced money to *La Presse* or to Mr. Berthiaume?—Yes.

2017. How much?—We agreed to advance at that time about \$9,000.

2018. Did you know at that time that Mr. Berthiaume or *La Presse*, I care not which, was indebted to the New England Paper Company in about that amount?—I was quite aware of it.

2019. And did you know that that money you were to advance was required for the purpose of getting rid of the indebtedness of the New England Paper Company?—I would assume so: but I did not know it as a fact.

2020. Did not Mr. Berthiaume tell you that he wanted the money to pay off his indebtedness against the New England Paper Company?—He said he wanted the money to clear off what he owed.

2021. Did he say it was to clear off the indebtedness of the New England Paper Company?—I cannot say positively that he did.

2022. What is your impression?—Well, I did not pay any attention. It was quite immaterial to me.

2023. You knew a contract had been entered into with the New England Paper Company by which that company was to supply *La Presse* with paper?—I never saw any contract of that kind.

2024. You never saw the contract between *La Presse* and the New England Paper Company?—To the best of my recollection I never saw it at all.

2025. Did Mr. Berthiaume tell you that under his contract with the New England Paper Company the company had the right to continue to supply *La Presse* with paper until they were paid off?—Yes; conditionally.

2026. What condition?—If they supplied paper suitable for his presses.

2027. If they supplied paper suitable for his presses they were bound to continue the contract until the indebtedness was paid off?—Perhaps it might be well if I tell you the whole story—if you have no objections?

2028. Certainly. The committee would like to hear it?—Mr. Berthiaume came to me, as is a common occurrence with newspaper men throughout the country, and stated that he wished to make a contract with us to supply him with paper; that the paper he was using was not suitable for his fast press and that he could not use it. He wished to know whether we would supply him with paper and also if we would be prepared to advance a certain sum of money to enable him to pay off his indebtedness. I assumed that that indebtedness would be with the New England Paper Company, but he did not specifically state that. I told him we had no desire to cut the ground from under the feet of other paper makers, but if he had good reason to leave them and come to us we would be glad to have him. He said the paper he was getting from the New England Paper Company was not suitable; that he had protested about it and that he had made up his mind to leave them. He said, we want to get with a strong house that will supply us with a paper suitable for our press. We entered into a contract with him and we undertook to supply him with a certain sum of money to pay off his indebtedness. That is the whole transaction.

By Mr. Daly:

2029. There is nothing unusual in that?—Nothing unusual. We have the same arrangements with other papers in different parts of the country, from Newfoundland to British Columbia.

By Mr. Lister:

2030. He wanted you to advance money to pay off his liabilities which you assumed to be his indebtedness to the New England Paper Company?—Yes. I am not sure he may not have told me at the time but that is a question which did not concern me. All that I was concerned in was to see that the money was properly used.

2031. The amount of the money was about \$9,000?—Yes, about \$9,000.

2032. Did you know at the time that the New England Paper Company held notes of Mr. Berthiaume endorsed by Mr. Chapleau for a portion of the indebtedness?—I was so informed.

2033. Who informed you?—Mr. Berthiaume.

2034. And do you know also that these notes were not due at the time?—I was not sure whether they were due or coming due. I did not ask the question.

2035. So that you agreed with Mr. Berthiaume to advance the money required to pay the indebtedness?—Yes.

2036. Your impression was that the New England Paper Company supplied *La Presse* with such paper as was required for printing?—Quite so.

2037. Was this agreement reduced to writing?—Yes.

2038. And it was to last for two years.?—Yes.

2039. What security did you take for the money to be advanced by you?—We took Mr. Berthiaumes notes endorsed by Mr. Chapleau.

2040. For how much money?—Do you want me to give the details?

2041. Yes.—I will give them to you. The notes were dated March 6th, \$1,819; April 1st, \$3,474; April 14th, \$3,323; July 3rd, \$1,637; making altogether \$10,253.

2042. You took notes for the whole amount?—Yes.

2043. You advanced that amount of money?—Yes, we advanced about \$10,000.

2044. And these notes were endorsed by Mr. Chapleau?—Yes.

2045. Have these notes been paid?—They were paid proportionately as they became due.

2046. They were renewed?—Yes.

2047. How much was paid as they became due?—Ten per cent.

2048. Ten per cent was to be paid then and the notes were to be renewed for the balance?—Yes.

2049. The whole to mature within two years?—Yes.

2050. What was the duration of the notes—3 or 4 months?—Four months.

2051. And they were reduced 10 per cent as they became due?—Yes. The notes were paid off until the amount was reduced to \$6,000 and the \$6,000 was to be carried to the end if so required, at which time the whole amount would become due.

2052. I suppose there would be no difficulty in getting the contract if we wanted?—I will give you the whole sense of it now. You have now got what the arrangement was with regard to the money. The balance of the \$6,000 was to become due at the end of the two years. That is the whole sense of the contract. There is nothing more in it, except this transaction and in consideration of this he was to give us the contract for the paper for two years.

2053. Was anything said about any paper sold to the Government?—No, not a word.

2054. There was nothing of this kind in your agreement?—Nothing in any shape or form. I make this statement without any mental reservation, there was nothing of the kind. It was just a business transaction as I have stated to you.

2055. As a matter of fact, have you applied in reducing these notes any way any moneys except the moneys paid by Mr. Berthiaume?—No.

2056. There was no reduction whatever?—No, as I have just said this was the whole transaction. There was no intention of anything beyond what I have stated, the transaction is clear on the face of it, I have given the whole of the reasons for it and the exact figure.

2057. As a matter of fact, Mr. Macfarlane have you supplied more or less paper within the last year and a half to the Government than you have supplied before?—I have supplied more this year, there was an extra quantity called for.

2058. Can you give us any idea of the extra quantity?—I think it was 3,000 reams at \$3.60 per ream. It took place while I was in England, it is the same as the contract for the double royal.

2059. As Vice-President of the company, or as a member or officer of the company, have you any knowledge direct or indirect of any payment being made by the company or on its behalf to any public official?—None whatever. I do not think that such a payment could be made without my knowledge. At any rate I can say that it should not have been done without my knowledge, and if such a thing were done I would be surprised to hear of it.

2060. You have no knowledge of it yourself?—None whatever. I do not believe anything of the kind took place.

2061. You know Mr. Gillian?—Yes.

2062. What position does he occupy?—He is my assistant.

2063. And what position does the gentleman whose name is Mr. Young occupy?—He is secretary and treasurer.

2064. Have you any travellers?—Yes, we have two or three travellers. We have Mr. Haydon for the Maritime Provinces, Mr. Doure for this district and Mr. McDougall for the western district.

By Mr. Mulock :

2065. Do you allow anyone any commission on your sales to the Government?—No commission in any shape or form.

2066. No allowance of any kind?—No; the invoices sent to the Government show the whole transaction, there is nothing behind them.

By Mr. Chapleau :

2067. You say that you dealt with Mr. Berthiaume and dealt with him alone. You never dealt with any company concerning *La Presse*?—No, it was Mr. Berthiaume.

2068. You said you made an advance of \$9,000?—The agreement was about \$10,000.

2069. Is he well known to you and did you believe that he could do a good business, and on that account did you consent to supply him with the paper?—Yes, it is my particular business to look after this fact in the selling of paper. If I had not been satisfied that he was a good man, I would not have undertaken to supply him.

2070. You thought that he was quite able to pay for this?—Yes.

2071. And have you seen any reason to change your opinion?—No, our business relations are quite satisfactory.

2072. Those relations have been quite satisfactory to you?—They have.

2073. And you have seen no reason to regret having advanced the money?—No, sir.

By Mr. Lister :

2074. You have no security for the loan I suppose?—No, there was only the endorsement of the note, but this is a common enough transaction, we have the same thing in Ontario, and the same thing in St. John's, Newfoundland.

By Mr. Chapleau :

2075. As a matter of fact, Mr. Macfarlane, the notes were taken from the New England Paper Company and were at the time transferred to your account?—I presume that is the case.

2076. Did you have anything to do with me over this arrangement?—Nothing at all. I never saw you, never spoke to you about it.

By Mr. Mulock :

2077. Who arranged to give you Mr. Chapleau's endorsement?—Mr. Berthiaume. He had that on the old notes.

2078. He arranged to give you this endorsement?—He asked me if I would be prepared to advance the money on the endorsement of Mr. Chapleau.

By Mr. Hyman :

2079. You considered Mr. Chapleau's responsibility as well as Mr. Berthiaume's?—Certainly

By Mr. Mulock :

2080. Your dealings at first were not by tender?—We have had dealings with the Government extending over fifteen years. The old contracts ran for five years; but during the last three or four years they have asked for tenders for a certain number of reams estimated to be required for that year's use.

2081. When did you get the first order under the new arrangement?—I think it would be to the point if you asked me what we put the paper in at, and what was the quality of the paper.

2082. Give me that information first?—There was a contract in June, 1887, for 525 reams. That was for paper we had supplied them before.

2083. What was the next?—The next was an order for 1,700 reams.

2084. What was the date of that?—June 30th. They wanted the paper urgently.

2085. The first was secured after tendering?—Yes.

2086. What was the third?—November 29th 1887. The contract was for a small quantity—700 reams.

2087. Did you tender for that?—Yes. Then in May 1889.

2088. 1888 it would be?—No, in 1888 we had none. There were occasional orders coming in. In 1887 there was a contract for 850 reams for the Canada Gazette by contract.

2089. How did you obtain that contract? By putting in a tender.

2090. Were you the lowest tenderer;—I do not know.

2091. What was the next order?—In August 1889 there was a contract for a specific sum. That appears to be the first large order for 4000 reams, double royal.

2092. At \$3.60?—\$3.90.

2093. Did you obtain that after tender?—Yes.

2094. What was the next?—On January 27th, an order for 200 reams.

2095. January 1890?—Yes. The next was an order in March 1890, urgently wanting the paper made within a fortnight or something of that kind.

2096. What was the price of the paper in 1890?—\$3.21.

2097. Was that the same quality as the 4000 reams previously referred to?—I do not remember exactly what it was, but I think it was a little stronger or better or something like that.

2098. It was about seventy cents a ream lower?—It is by the pound. The weights are entirely different. The contract for the 4000 reams was taken at six and a half cents per pound and for the 400 reams six and two-thirds cents—a different paper altogether.

2099. What was next?—In March came an order for 700 reams, the same as the contract for 4000, and we put it in at the contract price. It was urgently wanting the paper made at a certain time.

2100. What was next?—There was an order on September 15th 1890 for an odd lot of paper, 15 by 34½, and we charged that at contract price.

2101. That came as an order?—Yes. Then came July 15th, a contract for 5000 reams. That was taken at six cents, a reduction of half a cent.

2102. How did you get that order?—By tender. In 1891, that is the present year, there was a contract for the same quantity—5000 or 5500 reams.

2103. What date was that?—July of this year.

2104. There was none between July 1890 and July 1891?—No.

By Mr. Bergeron :

2105. Was this by tender?—Yes; but there were running orders coming in for small lots continuously.

By Mr. Mulock :

2106. But there was no contract between you and the Department between July, 1890, and July, 1891?—There were small orders coming all the time.

2107. But I am referring to contracts.—There certainly have been other orders. They are running all the time.

2108. A sort of hand to mouth supply?—I take it to be the kind of paper that is not sufficient to tender for.

2109. What would these small orders amount to?—I cannot say.

By Mr. Hyman :

2110. When you speak of tenders, do you mean to say that the tender is sent to the Department in answer to an advertisement or by request?—In answer to a circular sent from the Department. The answer is sent in to the Queen's Printer.

By Sir Richard Cartwright :

2111. How much on an average have you got from the Government during the last three years—would it be \$20,000 a year?—I think it would be fully that.

2112. Would it be \$30,000 a year?—I could send you a statement of the whole account. You have our invoices here. I can only give you an approximation. Our contract was for 5,500 reams at \$3.60 a ream. We estimate that as a year's supply. Then there was an exceptional order sent down for 3,000 reams in this year. In 1890, there was a contract for 5,500 reams, which covers what we call our regular work.

2113. In one year you have received an order for about 8,500 reams?—In this present year.

2114. That would be equivalent at the figures you have given us to a little over \$30,000?—Yes; it would be a little over \$30,000.

2115. That is independent of the little miscellaneous orders of which you speak?—Yes.

By Mr. Taylor :

2116. You say you have been supplying the Government with paper for the last fifteen or twenty years?—All of that.

2117. How do prices now compare with fifteen years ago?—They are about sixty per cent. cheaper. Perhaps fifty-five per cent.

2118. Fifteen or twenty years ago the contract ran for five years?—Yes, and up to three or four years ago.

2119. For the last three or four years they have been asking for tenders yearly?—For the estimated quantity required for the year, putting it in reams.

2120. Are the prices lower now than they were five years ago?—Yes.

2121. They have been gradually going down?—Yes.

2122. Have the Government effected a saving by this new system?—Yes, because they have brought into competition all the manufacturers.

By Mr. Somerville :

2123. Is not the cost of material falling?—Chemicals are fifty per cent dearer than fifteen years ago.

2124. Have raw materials gone down?—Yes. It is really the competition among the manufacturers that has brought down the prices to such a fine point.

By Mr. Chapleau :

2125. When you say that tenders are sent to you for the yearly supply, is it for the whole supply of the paper or is it not divided into three or four different kinds?—We have been asked only for specific kinds.

2126. Have you any separate circular for the *Gazette*?—Yes.

2127. Have you any for other paper?—Each size of paper is asked on a separate tender.

2128. Well, do you know whether there is a special circular also for the Statutes?—I think so, because we have supplied under these tenders various sizes and weights.

2129. I want to know whether these circulars ask for competition from the different firms for supplying each kind of paper, and not *en bloc*?—Yes.

By Sir Richard Cartwright :

2130. To how many persons are these circulars sent?

MR. CHAPLEAU—Mr. Bronskill said five or six.

By Mr. Lister :

2131. You knew a portion of the paper has to be, by law, tendered for? Do you know that?—I think that is a rule of the Department. I don't know there is a law in the case.

By Mr. Chapleau :

2132. Tenders were not asked for the bulk amount required?—We have never been asked to tender in that way.

SAMUEL BEATTY called, sworn and examined :—

By Mr. Lister :

2133. You live in Toronto, I believe?—Yes, sir.

2134. What is your business?—Broker.

2135. When, the other day, Mr. Patterson said that he had to give you \$200 for the purpose of using your influence in securing him a contract for the sale of type to the Government. Is that true or is it not?—He sent me \$200, certainly.

2136. He sent you \$200?—Yes; or about \$200.

2137. Where did he send it to you?—I think in Montreal.

2138. You were in Montreal?—Yes, at that time.

2139. Did a letter accompany it?—It is so long ago now, that I cannot remember.

2140. How long is it?—About five years, I should say or four years ago.

2141. Are you sure that money was sent to you at Montreal?—I think so—part of it at least.

2142. Was it made in more than one payment?—I think so, yes.

2143. How many payments?—I could not say.

2144. Had any conversation taken place between you and Mr. Patterson, before these payments were made?—Yes.

2145. What was the effect of this conversation?—Mr. Patterson said to me in his office one day, when I was on some other business, that he understood the equipment of this Printing Bureau was to be given to the Dominion Type Foundry Company, Montreal, and that he would like to get a portion of that order; that he would give it at less than the rates he was supplying newspapers throughout the country; in fact, that he would sooner give it at half price, than not be on record as having part of that order. He asked me if I could help him. I told him I did not know how I could, but he could do just what I would do myself. He asked what that was, I said: "See your member." He said he had been misrepresented as a reformer, and he did not want to lie under that implication. I said all he could do would be to see his member, and representing them in Toronto, that he should have a portion of the order. That was the last I heard of it until Mr. Patterson sent the telegram stating he had seen his member and it had no effect, and he was going to attend to it himself.

2146. Then did you see him?—I saw Mr. Small, yes.

2147. And he was the only person you were to see?—The only one I had anything to do with at all.

2148. And he was the only one Mr. Patterson intended you should see?—I think so.

2149. Was Mr. Small's name mentioned?—He was member for the constituency in which Mr. Patterson was a voter.

2150. He said he supposed you were to see Mr. Chapleau and Sir John?—No. I never represented I had any influence with Mr. Chapleau or Sir John Macdonald. I never spoke to Mr. Chapleau in my life. Mr. Chapleau does not know me, and as to talking with Sir John Macdonald, such an idea never entered my head.

2151. Then you never saw Sir John or Mr. Chapleau?—I never saw anybody but Mr. Small.

2152. Was this money paid before, or after, you saw Mr. Small?—Long after the thing was closed. Perhaps I should have returned it. All the people here would have handed it back. I made a mistake in not returning it.

2153. That was all he gave you?—That was all.

2154. There were no other payments?—That is all I know about it.

2155. I think you were wise enough in keeping it?—I don't know. Perhaps I would do differently now if I had \$1,500, mileage, and passes on two railways. I would have sent it back, but I was poor.

2156. And you kept it?—Unfortunately.

2157. And it was long after the transaction was closed?—Yes.

2158. And it was before the transaction had been closed you saw Mr. Small?—It was in the inception of it.

2159. And he told you the member could do nothing, but he was to go to Ottawa himself?—He told me whatever Mr. Small had done, if he had done it, it was of no avail, and he was going to attend to it himself. That was all I knew about it.

By Mr. Chapleau :

2160. So you must have been as much surprised as I was, when you read in the papers you had asked and received money to intercede with, or get favours from the Secretary of State?—Yes, sir. I was a perfect stranger and never asked for anything for myself, or anybody else, and would not have got it if I had.

WITNESS.—Can I go now?

The CHAIRMAN—You are dismissed.

By Mr. Mulock :

2161. What services did you render for the \$200?—You have heard all I said; I am dismissed.

J. D. ROLLAND called, sworn and examined:—

By Mr. Lister :

2162. Where do you carry on business?—In Montreal.

2163. In the city of Montreal?—Yes.

2164. You own paper mills, or you are interested in a company carrying on a paper mill, are you not?—Yes.

2165. Where is that mill?—At St. Jerome, in the county of Terrebonne.

2166. In Mr. Chapleau's county?—Yes.

2167. You know Mr. Chapleau I suppose?—I have known him for many years.

2168. You supply a considerable quantity of paper to the Government?—Yes, sir, by contract.

2169. You seem to be more fortunate than some of the others? This is copy of your contract I now hold in my hand?—I suppose it is.

2170. This is a copy of a contract with the Government dated 18th July, 1887 for furnishing paper to the Government?—Yes, sir.

2171. That contract expired in 1890?—Yes, sir.

2172. Have you since had a contract?—It was renewed last June I believe.

2173. A year ago?—No, this year.

2174. Renewed for how long?—Three years more.

2175. How is it that you have a contract for three years, and the others have merely to supply paper from year to year?—Well, I believe the first time I had a contract there was no other paper mill making the quality of paper that we were making, and we would not accept the contract for one year. Our contract was very favorable to the Government, because we were giving prices at the same price as they were importing, and as the Government was favoring the National Policy we had to build the mill, and we were waiting for orders to get machinery to supply that quality of paper.

By Mr. Chapleau :

2176. What was the total amount of outlay you were put to for the manufacture of paper of special quality?—Over \$100,000.

By Mr. Lister :

2177. When did you do that?—In 1886 or 1887, I believe.

2178. Had you a contract before that?—No, sir.

2179. It was 1886 or 1887 that you got your first contract?—Yes, sir.

2180. July 1887 the contract is dated. That was your first contract?—Yes.

2181. Do you know the amount of sales to the Government for the last two or three years?—They have varied. I believe last year it was about \$35,000 or \$40,000.

2182. That was last year?—Yes.

2183. Now the year before?—The year before it was little more I believe.

2184. How much more?—May be \$38,000 or \$40,000. I am not very positive about it. I did not take any note of those figures. You have them in the documents here.

2185. Do you remember the amount of your account the year before that?—About \$35,000. Last year it was a little less than the present year.

2086. Have you supplied any paper this year—1891?—Yes. Our contract continues in the same proportion.

2187. Who are the stockholders in your company?—My four brothers and my four sisters.

2188. Who manages the books at the mill?—No books are managed at the mill. I manage them all. Everything of that kind is at Montreal.

2189. What are the names of your brothers?—S. G. B. Rolland, O. Rolland, P. D. Rolland.

2190. Which is the youngest member of the firm?—P. D. is the youngest.

2191. And you four gentlemen manage the business of the Company?—Yes; S. G. B. manages the business at the mill. He is the paper maker, and receives the orders.

2192. What does O. Rolland do?—The Quebec business, chiefly.

2193. And the books are all in your office at Montreal?—Yes.

2194. I see you tendered for 350 reams at 7, $7\frac{1}{8}$ and $6\frac{3}{4}$ cents per lb.?—For what paper was that? We have sent various tenders at different times.

2195. This was last year, and you got the contract at $7\frac{1}{4}$ cents a pound. Now, how was it that having tendered at 7, $7\frac{1}{8}$ and $6\frac{3}{4}$ cents you came to get a contract at $7\frac{1}{4}$ cents?—Doubtless it would be on account of the quality.

2196. That was a greater price than you offered to sell it for?—Not at all.

2197. You were allowed $7\frac{1}{4}$ cents, and your tender only shows 7, $7\frac{1}{8}$ and $6\frac{3}{4}$ cents?—I do not remember that. I do not think we have been given a contract at higher rates than our tender.

2198. The papers show that to be the case?—In many instances they have paid me a quarter cent less than my tender.

2199. Do you keep many travellers?—We have several.

2200. Do you ever tender for orders outside the contract?—Yes; whenever there was business to be done at Ottawa, I generally came here myself.

By Mr. Chapleau :

2201. You have said that in tendering you would send in different qualities of paper by different samples?—Yes.

2202. Would it be possible that when you tendered last year you sent two, three or four different qualities with two, three or four different prices accordingly?—Surely.

2203. And the contract you have taken, if it was awarded to you at the highest price it would be for the highest quality of paper?—Yes, surely.

By Mr. Lister :

2204. Mr. Rolland, do you know Mr. Dansereau?—Yes.

2205. Has your company paid him any money?—No, not Mr. Dansereau personally.

2206. What do you mean by not personally?—There were Mr. Dansereau, Mr. Hamel and Mr. Benoit. You know for the last 20 years we have been meddling in politics, and we make subscriptions to the conservative association, and have done so for 20 years.

2207. Have you been paying Mr. Dansereau so much a year for the past three or four years?—Not at all. There might have been payments to Mr. Dansereau when he was secretary or treasurer of the association.

By Mr. Chapleau :

2208. You gave an account of \$1,000 to the last election?—I paid a subscription.

By Mr. Lister :

2209. Every year?—Not every year, some years on and years off.

2210. Will your books show what you paid?—I believe they will, they have been charged to the profit and loss account.

2211. What is the amount you have paid in any one year?—The most I have paid this year is \$1,000 subscription.

2212. How did you pay that?—To the Election funds.

By Mr. Mulock :

2213. Was this money paid to Mr. Dansereau?—No, sir.

By Mr. Lister :

2214. Into whose hands was it given?—Sometimes to the representatives of the conservative association.

2215. Is it charged in your books in any way?—It is charged in the profit and loss.

2216. Every year?—I could not say every year. I could not swear to that, but each time that there was an election, we would give something.

2217. Your books will show?—They will show the amount, but they will not show to whom it was paid.

By Mr. Mulock :

2218. What contract have you got with the Government now?—For the supply of writing paper of the cut sizes, and the ledger paper.

2219. When did you get the contract?—In 1887.

By Mr. Lister :

2220. When did it first run out?—In 1890.

2221. Are you still going on under that contract?—There is a new contract entered into in June, this year.

2222. Have you got the contract with you?—No, sir.

MR. CHAPLEAU—It is here and the Order in Council.

The Committee adjourned.

COMMITTEE ROOM, TUESDAY, 8th September, 1891.

Committee met—Mr. WALLACE in the chair.

The following letters were read :—

“ AUDITOR GENERAL’S OFFICE,

“ OTTAWA, September 2nd, 1891.

“ SIR,—With reference to the evidence given yesterday by Mr. Hayter, of this office, concerning the vouchers for Stationery Office purchases in 1887-88 : I now enclose a copy of the letter which, on further examination, I find was written at the time all the vouchers in hand were returned to the Stationery Office.

“ I have the honour to be, sir,

“ Your obedient servant,

“ J. L. McDOUGALL,

“ *Auditor General.*

“ E. P. HARTNEY, Esq.,

“ Clerk, Public Accounts Committee.”

Copy.

“ AUDITOR GENERAL’S OFFICE,

“ OTTAWA, November 15th, 1889.

“ SIR,—I have the honour to return you herewith the vouchers and statements covering the Stationery Office purchases and issues for the year 1887-88.

“ I have the honour to be, sir,

“ Your obedient servant,

“ J. L. McDOUGALL,

“ *Auditor General.*

“ The Superintendent,

“ Stationery Office.”

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,

OFFICE OF THE QUEEN’S PRINTER AND CONTROLLER OF STATIONERY.

OTTAWA, 7th September, 1881.

“ SIR,—I beg leave to send with this a package of vouchers for purchases of paper and receipts therefor, recently found in the office of the late Superintendent of Stationery—not produced by him. I very much regret that delay should have occurred in the result of the searches made after Mr. Bronskill’s departure.

The Acting Superintendent of Stationery—Mr. Thomas Roxborough—will attend and give evidence respecting these vouchers, if desired. He not only found, but has examined them, which I have not found time to do.

I am, Sir, your obedient servant,

B. CHAMBERLIN.

Queen’s Printer and Controller of Stationery.

“ E. P. HARTNEY, Esq.,

Clerk of the Public Accounts Committee,
House of Commons.”

"CANADA PAPER COMPANY (Limited),
MONTREAL, 7th September, 1891.

"DEAR SIR,—I notice in the "Printed Minutes of Evidence in connection with the Government Printing Bureau," 1st September, a couple of clerical errors in my evidence which, although not altering the general sense of the evidence, I would like to have corrected for the sake of my standing in the trade.

Page 99, Question 2123—By Mr. Somerville—should read: "Is not this owing to the cost of chemicals being less than five years ago? *Answer.*—Chemicals are over fifty per cent dearer this year than five years ago."

Question 2124—By Sir Richard Cartwright—should read: "Have raw materials not gone down? *Answer.*—Yes; it is also largely the competition amongst the manufacturers that has brought down the price to such a fine point."

Will you have the goodness to have the above corrections made in the copy before it is sent finally to the printer.

Yours truly,
JOHN MACFARLANE,
Managing Director."

"CLARKE WALLACE, Esq.,
Chairman, Committee of Public Accounts, Ottawa."

"CANADA PAPER COMPANY (Limited),
MONTREAL, 7th September, 1891.

"SIR,—Your summons of the 29th ult. I found waiting my return to business this morning, and being therefore unable to appear within the prescribed time, I beg to state that I am now at your service when required to attend.

Your obedient servant,
JOHN G. YOUNG.

"E. P. HARTNEY, Esq.,
Clerk of Committee, House of Commons, Ottawa:"

"GOLDEN, B.C., 2nd September, 1891.

"SIR,—I have this day received a summons to appear before the Committee on account of supplies furnished Printing Bureau. Your Committee did not know I was in British Columbia; therefore did not give me sufficient time to appear. Should your Committee still require me, I will be pleased to appear. Send expenses and give me plenty of time, as I am mining several days from the line of railway.

Yours respectfully,
JOHN E. ASKWITH.

"E. P. HARTNEY, Esq.,
Clérk of Committee:"

JOSEPH C. MORGAN, called, sworn and examined:—

By Mr. Lister:

2223. Where do you live and what is your business?—I live in Toronto, and I am traveller for Buntin, Reid & Co.

2224. How long have you occupied that position?—About twenty-one years.

2225. Have you worked for that firm during all that time?—All that time.

2226. Have you any recollection of having sold to Senecal a quantity of goods for the Printing Department?—I had but one transaction with the Printing Bureau. I sold them about 60 tons of mill-board mostly, and straw-board.

2227. When was that sale made?—I would like to refer to my memorandum book.

2228. Certainly?—The sale was made about the 23rd July, a year ago.

2229. That would be the year 1890?—Yes.

2230. How much straw-board and mill-board did you sell?—Over 60 tons.

2231. Will you tell the Committee what that material is used for?—Mostly for book-binding. With regard to the Printing Bureau, I would say it was nearly all for book-binding. Those other boards are used for box-making, but they do not make any boxes at the Bureau.

2232. What was the price paid?—\$50 a ton.

2233. Did you ever before, in your twenty years experience receive such an order?—Not at any time; in fact I would consider half a ton of boards quite a good order, in an ordinary small place. I would consider a ton of boards a very good order.

2234. From half a ton to a ton would be a good order in your judgment?—Yes.

2235. Will you kindly tell me how this sale came to be made? You are sworn to tell the whole truth here? Some people excuse themselves from answering questions?—The sale was ultimately made in Toronto.

2236. Where did you first see Mr. Senécal about it?—I met him frequently at the Bureau, and once or twice I met him in Toronto, but I had frequently called at the Bureau expecting to get an order. He finally told me: "Possibly" he says "I will give you an order one of these days." Shortly afterwards he came up to Toronto, and I was telephoned to, that he was in town, and I met him, and we finally arranged about getting the order.

2237. What arrangement did you make about getting the order? How did the order come to be given? Tell us the facts just as they were?—Well, we haggled considerably about the price, and he finally pulled out a paper, such as is used in the Department, and said he was ready to place the order, and I got the order from him.

2238. You got the order from him?—Yes.

2239. Was anything said or done, about paying money to Mr. Senécal?—Nothing was said about money when I met him in Ottawa or other places, until that day.

2240. Well, on that day?—There was.

2241. What was it?—He wanted some money and I could not stand giving him what he wanted.

2242. But what did he say about money?—He said he was in need of money—he has some payments to make—and he wanted some money. I told him that it was very difficult for me to get any money out of our people, that it was an unusual thing, and after considerable difficulty I went to the book-keeper and I told him that I wanted some money. He said: "Well, what is it for?" I said: "Expenses," and we haggled a long time, and I said: "Well, I must have it. You can either charge it to me, I must have that much money." Finally I got this cheque made payable to myself and I endorsed it, and it was after bank hours, and he had to have the money before he left town; I arranged to get the money out of the bank after bank hours.

2243. What was the amount of the cheque?—\$200.

2244. How much did Senécal tell you he wanted?—Well, he wanted considerably more than that.

2245. How much more?—I think he wanted about \$300.

2246. The value of the goods was about \$3,000?—It came to over \$3,000; there was 63 tons or more. Any way it was sixty something, but I could give you weights from my memorandum book.

2247. It is not so much of consequence. But he wanted \$300?—I would not exactly say, but he wanted more than I gave him, and he wanted it that day, and he got it that day.

2248. Was anything said as to why it was that he did not take a cheque?—He did not want cheques.

2249. Was anything said about the cheques to him?—He wanted the money he did not want any cheque, and I told Williams to make the cheque payable to him

2250. He did not want any cheque, and that was the reason why the cheque was made payable to you?—Expenses are always made payable to me, and charged against me in that way, and that was the only way I could get the money.

2251. Could you have got that order without the payment of the money?—Well, perhaps I could, but I had the order in my hands at that time. Of course I expected to do more business with the Printing Bureau and it was not so much that order I was looking for.

2252. You were in the hope of doing further business in the Bureau?—Yes.

2253. Was it understood before, you were to pay him the \$200?—Why did you pay him the \$200?—Because I wanted to stand well with the Superintendent.

2254. You wanted to stand well with the Superintendent?—Yes.

2255. Did he ask you for the money?—He did, or he would not have got it.

2256. He asked you for between \$200 and \$300?—Yes, as much as I could give him.

2257. You felt \$200 was all you could stand?—Well I could not stand it.

2258. So you went to the bookkeeper, and got a cheque for \$200 made payable to yourself, went to the bank after banking hours and got the cash?—Got the cash.

2259. Because he did not want a cheque?—That is it.

2260. You say you have been traveller for that concern for twenty years past Did you in any of these twenty years, have to pay, or did you pay, anybody else money to get trade, in that way?—Never; nothing of the kind ever occurred to me before.

2261. Where did you first meet Senecal?—I think I met him first at Ottawa, possibly I might have met him in Toronto before that, but for an extended interview the first time I met him was in the city.

2262. No order was given at that time?—No.

2263. Did you talk over business?—Yes.

2264. Was anything said about the conditions upon which he would do business?—No, I do not think so, not then.

2265. Was this the only bill of goods you ever sold to the Printing Bureau?—That was the only bill.

2266. Did the members of your firm know that you paid \$200.00?—Not at that time.

2267. When did you communicate the fact to them?—Well, of course the only conversation I had with any of them, was I think last Friday.

2268. Who with?—Mr. Reid. I was at Berlin, and I was summoned home by telegraph and he seemed very much aggrieved about the matter.

2269. That was the first intimation that he had from you that such a thing had been done. And he was very much aggrieved about the matter, nothing of that kind having been done for 20 years before?—Never before.

2270. Now I want to ask you about the stuff that you sold, it is used for binding Statutes, I suppose?—Yes, Statutes and books of that kind.

2271. It is what you call mill-board and it is used for binding Parliamentary Reports, Statutes and Hansards?—I suppose it would be used for Hansards, I know it is used for the Statutes.

2272. How long in your judgment would the quantity you sold last for that purpose?—I would not hazard an opinion because I do not know. Of course I cannot tell you this, for I do not know the requirements of the establishment.

2273. They use a lot of material?—I cannot tell you. In fact I am not up in book binding at all. We do not run a bindery, we farm our work out to other binders. We sell the material that is all.

By Mr. Foster :

2274. You said that you had your order before you paid Mr. Senecal this \$200.00?—Well I had arranged for the order, I would not say that I had it. It is some time ago now, it is over a year and I would not like to say whether I had or not.

2275. You would not like to say whether you had the order in your hand?—I would not like to say that. I saw it written out but I would not care to say that I had it, and I do not know my position in the matter, and I do not think it is fair to go too far in this way.

2276. Had you arranged for the price to be paid to you for the mill board and straw board before Mr. Senecal asked you for money. You are absolutely certain of that?—We had been bickering about the price for some time, about what other people were getting.

2277. And the prices were fixed?—Yes, the price was fixed at \$50.00 a ton, and I usually sell it for \$60.00.

2278. That is, it was sold below the usual price?—Yes, I may say that any paper dealer will admit that the price was low.

2279. So that what you gave to Mr. Senecal did not at all influence the price paid by the Department?—Not at all. Because if the price had been any lower I would have had to let the order go.

2280. Do you say that in your previous sales you never made presents of cash to any persons who supplied you with orders?—I never gave any money.

2281. But any other things—anything else?—Well, an inkstand or any trifling matter. I very often did that. Very often a valuable customer comes into our place and he asks for something, and I let him have what he wants, and there is no charge made?

2282. That is usual I believe?—Quite usual.

2283. These are not of very much value?—Sometimes the articles are of considerable value.

2284. It depends upon the order, I suppose?—It depends upon the customer.

2285. Upon the size of the order, would it not?—No, probably there might be no order at all, we might have been on terms of friendship before.

2286. You say you never received an order of this kind before?—Never.

2287. This was a large order?—Yes, it was a large order.

2288. Do you frequently sell such large quantities?—Well I frequently sell a carload of straw board, but that would be to manufacturers of cardboard, not binders. To ordinary persons we would sell half a ton or a ton.

2289. How many tons are there in a carload?—About 12 tons.

2290. At all events you think that this was a large order?—Yes.

2291. You felt justified in giving an abnormally high present rather than lose the order?—I certainly did give him a very large present.

By Mr. Lister :

2292. Would you have made the sale unless you gave the money?—Well, I think that is hardly fair to ask me.

2293. There is nothing to fear, you would not have given the money unless you were getting the sale?—No.

2294. Would you have made the sale unless you had given the money?—Probably I would not, I can hardly say that, because I do not know Mr. Senecal's mind. For that reason I would not like to say that. But any way I gave the money.

2295. Was the order in your hands before he said he wanted \$300?—Yes. I looked at the order—at what might be called the specifications.

2296. I want to know whether he had given you the order then?—It is so long ago, I could not say now. I might remember a week ago, or I might remember a month ago, but it is over 12 months.

2297. You cannot say that?—I would not like to say that.

By Mr. Costigan :

2298. When you were asked a little while ago, you stated that you gave the \$200, when you had had the order, but that you wanted further dealings with the department and wanted to stand well with the Superintendent?—I think I wanted to have the order all right, and I wanted to do future business with the Department.

By Mr. Lister :

2299. He told you he wanted to make some payment on land did he?—I think he said so. He wanted some money and he wanted it right off.

2300. He was in a hurry about it?—He wanted money then, anyhow.

2301. You could not give him all he demanded?—No.

2302. And you concluded to give \$200?—I did.

2303. When you beat him down to \$200, what did he say?—Well he accepted it, and appeared to be satisfied.

By Mr. Barron :

2304. You told Mr. Foster that you were in the habit of giving some presents to customers occasionally?—Yes.

2305. What sort of customers—the employee or the man who was paying for the things supplied by you?—It might be the head of the firm or it might be an employe. I would think nothing of giving a man an inkstand, I would not care even if his employer knew it. It is quite customary that sort of thing. If a man came in and asked for an inkstand, or if he said that he wanted anything like that, I would say you need not mind that to-day we will charge it on something else.

2306. Make it up in some other way?—Yes.

By Mr. Foster :

2307. Can you answer this question : When you gave Mr. Senecal \$200, why did you do that? Did you do it to secure the order you were then after, or to secure the good will with possible further orders?—Probably both.

2308. What did you say was the amount of the order?—It would amount to over \$3,000.

2309. How many orders did you take from Mr. Senecal?—That is the only one I received. I think they have received small orders from him. I am not certain but they may have received small orders from Bronskill's department. It would only be a matter of a few dollars anyway, and it was for stuff they usually imported themselves but had to get here.

2310. What would the average be—ten per cent?—I cannot say about the orders.

By Mr. White (Cardwell) :

2311. Who signed the cheque for \$200?—I cannot say exactly.

2312. It would be a member of the firm and not the book-keeper?—Sometimes the book-keeper signs cheques. He has a power of attorney. Or it might be a member of the firm. The cheque can be produced ; there is no difficulty about that.

2313. You state positively that no member of the firm was aware of this transaction until last Friday?—I told no member of the firm until last Friday ; that member of the firm does not take a very active part in the business.

2314. Did you tell anybody connected with the business?—Certainly, I had to explain the matter to the book-keeper afterward.

2315. He knew for what purpose the \$200 was used?—I fancy he did.

2316. He would likely have informed the firm?—He would probably have had to make some sort of explanation.

By Mr. Lister :

2317. You had no authority to do this?—No.

2318. You assumed the responsibility?—Yes, I did it myself, and I am to blame for it, if anyone.

By Mr. Taylor :

2319. Did you explain to the book-keeper when you asked for the cheque for what purpose you were going to use it?—Perhaps I did. I told him I wanted it, and he hesitated about giving it to me. He said I cannot give you anything of that kind. I said "charge it to me if you like, but I want the money."

2320. You explained to him that you were getting an order from Senécal for \$3000 and you wanted \$200 to give him a present?—I do not know that I explained that, but I suppose he must have understood it.

By Mr. Landerkin :

2321. Why was there an urgency of getting the money that night?—I suppose he wanted to use it.

2322. And you were urgent because you could not get the order without it?—I wanted to remit him the money, but he would not have that.

By Mr. Taylor :

2323. You think the accountant explained to the members of the firm that he had issued a cheque for this purpose?—He may have explained, and he may not have. It would be weeks or months before they would have any understanding of that kind.

2324. Would he be likely to pay out \$200 for a purpose of that kind without mentioning it to members of the firm?—The money would be charged against my expense account. When I get any money for expenses a cheque is issued to me payable to my order.

2325. Would that not be an extraordinary amount to be charged to your expense account over and above your regular travelling expenses?—Not necessarily. It just depends on how far away I am going.

2326. Were you going away far then?—No. The \$200 is, of course, an unusual thing.

2327. You explained anyway what you got the money for to the accountant?—I certainly had nothing to do with anybody but the book-keeper.

2328. You do not know whether he explained it to the firm or not?—No.

By Mr. Foster :

2329. Did that money come out of your pocket or the firm's?—It certainly did not come out of mine.

By Mr. McMullen :

2330. In reply to a question from the Minister of Finance you said that you gave an instand or something of that kind to customers. Would you expect to make it up on other things?—I do not know. It would not be possible to make it up always. Mr. Chairman, I wish to make a word of explanation: If there is any blame attached to anybody I wish to assume the whole of it. I did the whole thing and I deeply regret this matter.

By Mr. Taylor :

2331. Was not the accountant partially to blame for giving you the money?—I was to blame.

THOMAS A. SCOTT called, sworn and examined:—

By Mr. Lister :

2332. I believe you are book-keeper for the Dominion Type Foundry of Montreal?—Yes.

2333. You occupied that position at the time the type was sold to the Government for the Printing Bureau?—Yes, I have been there for ten years.

2334. You are familiar with the books?—Yes, I am.

2335. Can you inform this Committee whether moneys were paid by the Dominion Type Foundry to Senecal?—There was money paid to Senecal.

2336. By whom?—Some was paid by the Manager.

2337. Who was the Manager?—Mr. Crosby. I have handed Senecal a cheque myself, and the President of the Company handed Senecal a cheque on one occasion for \$200.

2338. Did any other members of the company hand him money that you are aware of?—No; it would be either the Manager, the President or myself.

2339. Mr. Starke told us he gave him a cheque for \$200. Were you present when that was given?—I was in Mr. Starke's office. I had made a cheque out and it was on Mr. Starke's desk to sign when he came in.

2340. You paid money to Mr. Senecal himself?—On one or two occasions I made out a cheque.

2341. For what amount?—\$100 or \$200.

2342. Each?—Yes.

2343. Was it \$100 or \$200 each?—I do not know, but I know that Senecal got from us at different times about \$1,800 in money—cheques or money. //

2344. Is that all he got?—No, he got some other presents.

2345. In cheques or money he got \$1,800, and he got other presents. What were they?—I cannot say, because I did not make them.

2346. But I suppose you have heard the firm talk about it?—That is hearsay evidence.

2347. We would like to know what that hearsay was?—Well, I know he got a present of a mirror when he moved up to Ottawa.

2348. Worth how much?—Worth about \$60. He has also had several cases of champagne. He is very fond of wine.

2349. Could you tell me how many cases of champagne he had?—I could not.

2350. 100 cases?—Oh, no; five or six may be.

2351. I suppose it was the best brand?—Pommery. ✓

2352. How much a case is it worth?—\$29.

2353. Will you undertake to swear that he did not get 10 cases?—I would not.

2354. But you are sure he got five or six?—I am not sure he got 5 or 6. I said about 5 or 6. He may have only got 3.

2355. At a cost of \$25 a case?—\$29.

2356. Who sent the wine; who ordered it?—The manager, Mr. Crosby.

2357. What else besides wine did he get?—I could not say what else.

2358. Were there other presents?—I believe there were.

2359. Have you not heard what they are?—I have not heard everything.

2360. I am asking you what you heard?—I am telling you as far as I can recollect.

2361. Do you know of anything else?—I would not swear that there was or was not.

2362. Mr. Crosby would know all about it?—Yes, he would.

2363. Is he on his way back from British Columbia?—Yes. We received a telegram from Winnipeg yesterday that he is on his way home. He will be in Montreal Friday.

2364. Did you know Mr. Senecal prior to the time he obtained the position of superintendent of the Printing Bureau?—Yes. I knew him when he was manager of *L'Etendard*, one of the Montreal newspapers.

2365. Do you remember what position he occupied previous to that?—No. That is my first acquaintance with Senecal.

2366. He was occupying that position immediately before coming here?—Yes.

2367. How long was he the manager of *L'Etendard*?—I could not say that at all.

2368. You cannot give any idea?—I cannot give any idea at all. Let me see. I should think he was manager of *L'Etendard* for 2 or 3 years. I know he came in after Prendergast left.

2369. Have you heard anything of Mr. Senecal within the last two or three weeks?—I did hear that he had skipped; that is all I heard.

2370. You do not know where he is?—No.

2371. You sold considerable type to the Government—something like \$40,000 or \$50,000 worth?—I think our total sales up to date amount to \$48,500, but I would not be positive.

2372. You did not get as much as Mr. Patterson?—No, we did not give as much boodle. Senecal was constantly throwing that in our teeth. We did not give him as much boodle; we could not afford it.

2373. He was reproaching you about it?—He was. He would send down telegrams that he was hungry.

By Mr. Landerkin :

2374. And thirsty?—Hunger and thirst go together.

By Mr. Lister :

2375. Was the duty on that type paid or did it come in free?—The bulk of the type, supplied by us to the Bureau, was of our own manufacture.

2376. Did you import any for the Bureau?—About \$1700 worth of imported type was supplied by us.

2377. Did you pay duty on that?—We did not.

2378. You know what the duty on type is?—20 per cent.

2379. Is it not more than that?—That is all.

2380. You did not pay any duty at all events. If Mr. Senecal or the Government did not pay it, it came in free?—That is the size of it.

2381. So you gave Mr. Senecal only about 5 per cent. of the purchase?—it would not be 5 per cent.?—I do not think it would be over 5 per cent.

2382. Of the total purchase?—No.

2383. So that if you did not pay any duty on the type you made a clean 15 per cent.—you saved the duty anyway?—We saved the duty on the type that we got from the States to sell to the Government.

2384. Do you know of any correspondence between Mr. Chapleau and Mr. Crosby?—I do know of correspondence; yes.

2385. Concerning of course the matter of the Printing Bureau?—Yes.

2386. When was that; before you sold or after this?—Well after we had received an order from Senecal and the greater portion of the material had been manufactured, we wrote up to Ottawa asking if they would receive the material that was ready, as it was crowding us for room to store it. A letter came back from Ottawa, stating that we had no order, although we had Senecal's written order. So the then President, Mr. Alexander Murray drafted a letter and got me to write it—a letter to the Secretary of State, Mr. Chapleau.

2387. You wrote a letter to the Secretary of State to the effect that?—That we were surprised at receiving such a letter; that we had an order from Mr. Senecal; that it had been received in good faith and that the material was under way and the greater portion of it was then awaiting shipment.

2388. So that you had gone on under Senecal's order to manufacture the type and the greater portion of it was then ready for shipment?—Yes.

2389. When you received?—A letter from the Secretary of State stating that we had no order.

2390. How long before that letter was received was it that Senecal had given you an order for this type?—I could not say—about four or five months.

2391. Then for four or five months you had gone on under the impression that you had an order for this type?—Yes.

2392. You acted on that order?—We acted on the order.

2393. You manufactured the type?—We manufactured the type.

2394. And had it ready for delivery?—We were ready to deliver it.

2395. But you were told by the Secretary of State that you had no order?—That is exactly as it is. That letter was received in December, 1887, and answered directly after it was received. The exact date I cannot remember.

2396. You wrote to Mr. Chapleau in reply that you had received Senecal's order and had gone on in good faith and had then manufactured the greater portion of the type. What else?—We wanted them to take the delivery of it.

2397. Did you receive any further letter?—If there was any further letter I did not see it.

2398. Where is that letter from Mr. Chapleau to your company?—I expect that Mr. Crosby has it. It was in my possession until three or four weeks ago.

2399. Crosby has it?—I think so.

2400. Who took it away from you?—Crosby.

2401. Was it filed away?—It was kept along with other documents in the safe.

2402. It was kept with other documents in the safe, and three or four weeks ago Mr. Crosby took it?—It might be five weeks.

2403. Before he went to British Columbia?—Yes.

2404. How long before he left?—Probably a couple of weeks. He left on the 18th of August for British Columbia.

2405. It was long after this investigation commenced? This investigation has been going for about six weeks, or two months?—I don't know whether it was after or before. It may have been before.

2406. You say it was three or four weeks?—I think it was three or four weeks, but it might be longer than that. He asked me if I had the documents and I told him that I had.

2407. What documents?—The correspondence, and the cheques, and the telegrams.

2408. You had telegrams?—We had telegrams.

2409. From Senecal?—From Senecal.

2410. And letters from Senecal?—Letters from Senecal, yes.

2411. And letters from Mr. Chapleau?—Yes; I would not be sure of letters from Mr. Chapleau.

2412. There was one letter at all events?—Yes.

2413. These were all put together?—They were all put together in an envelope.

2414. And that envelope was in the safe?—In my safe, yes.

2415. And Mr. Crosby asked you for the papers connected with the Printing Bureau?—He did.

2416. Did you get them for him?—I did, yes.

2417. And handed them to him?—I did.

2418. What did he say he wanted them for?—He said: "I will take care of these."

2419. Were they not perfectly safe in the safe?—He may not have thought so.

2420. He did not think they were?—He may not have thought so.

2421. But as a matter of fact they had been in the safe ever since the time that the type was delivered, and paid for?—They had been in the safe for about fifteen or sixteen months.

2422. Do you know where he put them?—I do not.

2423. Did you notice whether he put them in his pocket or not?—I could not say.

2424. Have you ever seen them since?—I have not.

2425. Have you ever spoken to him about them?—I have not.

2426. You know nothing about them?—I know nothing at all about them.

2427. He simply said he would take care of them?—He simply said he would take care of them.

2428. Has he a safe to your knowledge?—He may have at his house, but I do not know.

2419. You do not know anything about that?—I do not know anything about it.

2430. Have you ever had any conversation with Mr. Crosby about this matter?—Oh, there has been a good many conversations carried on in the office. Some of them I overheard. Some I took part in, and others I don't know anything about at all.

2431. Conversations between whom?—One of the members of the Company and the Manager.

2432. Were there many talks about, to use a slang word, the “Greasing” of Mr. Senecal?—Yes, there were.

2433. And what was the decision come to by the members of the firm?—In what way?

2434. About “greasing” him, about bribing him, about paying commissions to him, or about making presents, or giving money to him in any way you think of?—The members of the firm decided that if Senecal kept on, we would soon have nothing left for profits.

2435. Did he say he wanted to buy lands? Did he say he was buying anything of that kind?—I never remember him saying anything of that kind. He wanted money, that is what he wanted, and he generally got it.

2436. Were there many telegrams from Senecal, telling you he was hungry?—I cannot remember now but one.

2437. You remember one?—I know there were a great many telegrams used a to come from him. Some of them I saw, and some I did not. Sometimes they were for orders.

2438. But you have only a recollection of one telegram, containing the painful news that he was hungry?—“I am very hungry.”

2439. Was there anything else in a telegram except that he was hungry?—Nothing outside of the hunger, and the cure I believe.

2440. What was the cure?—I don’t remember.

2441. But there was some thing about cure in it?—Yes.

2442. There were a lot of telegrams I suppose, altogether from Mr. Senecal about one thing and another?—During the time we were filling the order, I suppose the telegrams from him would average three or four a week.

2443. I suppose you receive a good many letters from him?—Yes, sir.

2444. And those letters and telegrams would be in the paeel that Mr. Crosby got?—Some of them would, some would not.

2445. What would become of those?—Those were orders filed away upstairs.

2446. But with the exception of those containing orders the letters would be altogether?—Not all of them, some particular letters only.

2647. What do you mean when you say “Some particular letters”?—They were not all put together. Some were put aside in the safe, others were filed away as letters ordinarily are, and letters containing orders were filed away in the stock room.

2448. The business letters were filed?—Yes.

2449. The letters with orders were filed away?—Yes.

2450. But the other letters, of particular interest, were kept by themselves?—Kept by themselves : yes.

2451. A peculiar interest I suppose attached to these letters, as they had reference to the payments Mr. Senecal was demanding?—I expect so ; I did not see all the letters.

2452. But from what you saw?—From what I saw, I inferred, that is what the letter contained.

By Sir Richard Cartwright :

2453. Your company did a good deal of business with the Government—apparently \$40,000 or \$50,000?—Between \$48,000 and \$49,000.

2454. Are you aware whether your company, on any occasion, subscribed to the election funds?

Mr. FOSTER.—I don’t think he should be asked that question.

By Sir Richard Cartwright :

2455. Are you aware, sir, whether your Company, on any occasion subscribed to election funds?

Mr. FOSTER.—I object to that question.

By Mr. Lister :

2456. Did your firm—the firm of which you are bookkeeper, namely, “The Dominion Type Company of Montreal,” contribute money for the purpose of the Dominion Elections, in the way of sustaining the present Government?

Mr. FOSTER.—I object to that question.

The CHAIRMAN—The question is asked the witness whether his firm contributed towards the funds for the Dominion Elections I think that, while this committee has, and should have, the widest latitude in investigating the Public Accounts for all purposes whatever, we cannot go on examining beyond that. We can enquire into the causes which lead to business being done with different firms or different companies throughout the country, when we have done business with those firms; but while we can investigate fully into all the business which was done, whether done properly or improperly, and whether too large an amount had been paid or not, still when we have investigated that, I do not think we have any right after that to enquire what any man does with money he legally becomes possessed of, and therefore I rule that the question asked by Mr. Lister is not a proper question to ask the witness.

Mr. CHAPLEAU then made the following statement:—

Sometime ago I received a letter from Mr. Starke intimating to me that he was informed his company had been assessed for a subscription. I wrote to him confidentially telling him, that so far as I was concerned—so far as the Government was concerned—I repudiated the information that he had received, if it was held to be a charge. I received in answer a letter, containing an ample apology from Mr. Starke, as one gentleman can write to another gentleman, a letter of apology. That letter being confidential I have no objection at all to submit it to Mr. Lister himself, and if he deems it necessary to have it placed before the committee, I pledge myself, it shall be. Mr. Starke does not belong to the same political party as I do, but I say that a letter of apology was received, repudiating the insinuation, that anything of the kind had been done. I will submit it to Mr. Lister himself, and if he wishes it to be put before the Committee I will do so.

By Mr. Lister :

2457. I think, after the explanation which the Secretary of State has given, I may now ask if the firm contributed towards election funds?

Mr. Foster objected.

2458. Have you any information of your own knowledge, or through any of the members of the firm, that the Secretary of State had been made aware of Senécal's exactions?—I have not.

2459. Have you never heard members of the partnership talk about complaining to the Government, or that they had complained to the Government or any member of it about the exactions that Senécal was making?—I think on one occasion I heard the manager say that he was going to let Chapleau know what Senécal was doing; but I cannot say whether he did it or not.

2460. That would be Mr. Crosby?—Yes.

2461. He said he was going to let Mr. Chapleau know what Senécal was doing?—Yes.

2462. How long ago was that?

Mr. Wood (Brockville) objected.

By Mr. Chapleau :

2463. Do you know when the first arrangement as to prices and orders, and extent of the order, that the firm or manufactory could supply the Government with was first spoken of, and say where it was, if you know it?—I remember Senécal came into the office shortly after he had received a letter stating that he was to be appointed superintendent of the Printing Bureau about to be established, and he inquired about the prices then.

2464. Did Mr. Senécal come to the firm with any order or credentials from the Government?—He had a letter signed by yourself.

2465. To what effect?—That he was to be superintendent of the Printing Bureau about to be opened.

2466. Had he any credentials to make purchases from the firm at that time?—He made no purchases at that time.

2467. The first time he made purchases had he an order, or was he authorized to your knowledge to make such purchases?—I believe he had. I saw the order printed—evidently an extract from an Act of Parliament appointing him and empowering him to make purchases.

2468. He showed a copy of the Statute relating to his appointment?—Yes.

2469. Do you know whether Mr. Crosby came to Ottawa in order to make arrangements with regard to the supply of type to the Government?—Mr. Crosby made several trips to Ottawa at the time.

2470. How long after you had seen Senécal did Mr. Crosby come to Ottawa?—I cannot say.

2471. About how far does your recollection go—would it have been the next day, or the next week, or a few days afterwards?—I cannot say whether it was a day or a month.

2472. Have you any recollection of Mr. Crosby coming back to your establishment, and saying he had arranged for the prices, and quantities to be delivered, at the different times at which the firm could deliver them?—Yes; I have some recollection, but I do not remember the exact circumstances.

2473. You must recollect also I presume that the orders were pressing orders and that your firm could not supply more than a certain quantity at a certain time?—I have a recollection that when the type was ready for delivery Senécal refused to receive it.

2474. When the type was ready for delivery Mr. Senécal refused to receive it?—Yes.

2475. Why?—We had got a letter, he wanted to know by what authority we were to ship the type.

2476. Have you the letter written on that occasion?—I said before the letters were in possession of the Manager.

2477. Even the official correspondence?—Yes.

2478. Was this official?—Some of it was official and some of it not official.

2479. Do you remember him saying that the Department was not ready to store that quantity of type and that we had to get a certain time to provide for the storage?—I have no recollection of that. I know that Senécal had been asking for money and that he did not get it and that ruffled his temper.

2480. Do you know whether Mr. Romaine, one of the employees of the House of Commons was connected with the arrangements for the purchases that were made from the firm?—I believe he was.

2481. You know I suppose that he is a man of some experience in printing?—I could not say that, I know Mr. Crosby is.

2482. You said that your firm received a letter from the Secretary of State—from me, was it an official letter or was it a private letter?—Well I took it to be an official letter from the fact that I answered it.

2483. So that letter can be found in the Department, I suppose?—I do not know that. I hardly think it would be copied.

2484. And that letter said that the order had not been given, and that Mr. Senécal had no authority to give the order?—That Mr. Senécal was not authorized to order anything. At the time we had made arrangements with Mr. Senécal, and had been working on the order some three months before.

By Mr. Lister :

2485. You have told the Secretary of State that when you first saw Senécal, he had a letter stating that he was to be appointed Superintendent of the Printing Bureau?—Yes.

2486. At that time did he give an order?—Not at that time.

2487. You say that afterwards he gave one to your place, and then he showed you a printed paper in which there was a copy of the statute appointing him, and authorizing him to purchase for the Bureau?—Yes.

2488. Was it at that time that the arrangement was first made for the purchase of the type?—At that time or shortly after.

2489. So that you had no doubt at the time you saw that authorization, but that he had the authority to enter into a contract for the purchases with your company?—Certainly not. The Act called for it.

2490. How long would it be after that order was given, when you had seen this paper authorizing Mr. Senécal to enter into the contract, that Mr. Crosby went to Ottawa for the purpose of fixing the quantities and prices?—I cannot say how long.

2491. To the best of your judgment?—I have no recollection. It may have been the next day or it may have been a month after.

2492. But you do know, as a matter of fact, that he came to Ottawa for that purpose?—I do.

2493. So that within a month after you had received the order from Senécal, Mr. Crosby, the manager of the company, did come to Ottawa for the purpose of fixing quantities and prices?—It would be within that time according to your judgment? To the best of my opinion, it was inside of a month.

2494. Within a month after Senécal had given you the order, your manager came here to arrange for quantities and prices?—Yes.

2495. How many months was it after the order was given by Senécal, that Senécal refused the stuff?—I cannot say. I cannot recollect.

2496. How long did it take you to fill the order?—The order covered about two years.

2497. Would it be within six months of the time the first order was given?—I think it would be.

2498. Would that be about the time that Senécal refused to accept the stuff?—About that time.

2499. Would that be about the time you received a letter from Mr. Chapleau stating that no order had been given?—I think the letter from Mr. Chapleau was received previous to that.

2500. Would it be long previous; because you know you had gone on and manufactured a quantity of stuff?—The letter from Mr. Chapleau was received in December and I think the one from Senécal was received in the January or February following.

2501. You think the letter from Chapleau was in December, 1887, and that the letter from Senécal was in the January following?—I think so.

2502. So that it was then said that Mr. Senécal had no authority to order. In answer to that you say you saw his authority and that Mr. Crosby came to Ottawa for the purpose of fixing quantities and prices; that you went on with the contract and in December came the first intimation you had from Mr. Chapleau that Mr. Senécal had no authority.—He ordered some forty thousand pounds of type, nonpareil, long primer, small pica and minion.

2503. It was an order?—A written order.

2504. By Senécal?—Yes, signed "A. Senécal, Superintendent Public Printing Bureau."

2505. So that it was months after that order was given before it was repudiated by anybody?—Yes, some months.

2506. The first repudiation was from Mr. Chapleau, who said that Senécal had no authority to give such an order, and then Mr. Senécal followed it up by repudiating it?—No, he did not repudiate the order. He asked us why we had shipped up type and said that he would not receive it. I do not recollect all the circumstances of the case.

2507. That letter is one of the letters Mr. Crosby has?—I believe it is.

2508. How was it you came to get the type accepted?—I do not know how it was done.

2509. Did you hear from any member of the firm the reason why the type was accepted?—No answer.

2510. Out with it?—I am going to tell the truth. I know why it was accepted.

2511. What is it?—I do not know how the thing came about, but our firm was called upon for a cheque for \$1,500 to be made payable to François Benoit, as a contribution to the Liberal-Conservative Fund, and then the order was confirmed after that. The cat is out of the bag now.

2512. François Benoit got a cheque for \$1,500 from your firm?—Yes, and we then received a letter that Senécal's orders were good.

2513. Who is François Benoit?—I believe he is Secretary of the French Branch of the Liberal-Conservative party. I myself drew the cheque payable to François Benoit's order, under instruction from Alexander Murray our late President. Notwithstanding that, I say that the Government got good prices and their ten per cent discount.

2514. That is to say you gave them value for their money?—The got value for their money.

2515. But this is blood money?—Yes.

2516. You drew the cheque yourself?—I drew the cheque myself.

2517. You say a letter came back to honor Senécal's orders?—Yes.

2518. You do not know by whom the letter was written?—I did not see the letter. I was merely told that the orders were all right. Senécal's orders were to be filled as they came in.

2519. They were filled accordingly?—They were filled accordingly.

2520. There was no more trouble?—Except when Senécal got hungry.

2521. The "grease" was all right. Do you remember when that cheque was drawn?—I think it was drawn in January 1888, but I would not be positive. It may have been February. I know the stub of the cheque in the cheque-book will show it.

2522. There is a cheque for it?—There was a cheque given for it.

2523. And the stub will show it?—The stub will show it and my book will show when it was paid.

2524. Did Benoit come himself for the cheque?—No. It was given for some person and taken out of the office.

2525. Who took the cheque?—I left it on the President's desk in the morning and that is the last I saw of it.

2526. Who was the President?—The late Alexander Murray.

2527. Seemingly you got pretty badly stuck?—We made our 10 per cent on all we put in—one way and another.

2528. Who ordered you to draw the cheque?—I cannot say whether it was the Manager or the President.

2529. I suppose that letter stating that Mr. Senécal's orders might now be honored would be amongst the bundle of letters you gave Mr. Crosby?—I expect so I could not say for certain. I had a large envelope in the safe, marked "Senécal" and some of the letters and telegrams were put in there. I do not know what they were exactly.

By Mr. Bergeron:

2530. You did not see such a letter as that of which you have spoken? The instructions might have been verbal? Do you know if there was a letter or not?—There was certainly written information given, that Senécal's orders were to be honored.

2531. Have you seen it?—I do not know that I saw it myself. I cannot recollect.

2532. Then how do you know it?—I was told by the manager.

By Mr. Lister:

2533. Senécal's orders were honored?—They were honored, and the stuff taken on delivery without any question.

By Mr. Foster :

2534. You never saw that order?—I do not recollect whether I did or did not.

By Mr. Chapleau :

2535. Was the order endorsed by the Queen's Printer or not?—I could not say.

2536. You have no information of your own, or from the manager, that an order had been given in the beginning of 1887, and that quantities, prices, &c., had been agreed upon?—No; not in the beginning of 1887.

2537. Well, in the winter of 1887?—I think sometime in the spring—the month of May was when the thing first came to my notice.

2538. What came to your notice?—Senecal came in and said he had got—

2539. No, no. I am speaking of the information given by Mr. Crosby after he came to Ottawa. We have the dates in the Department?—Repeat your question, please?

2540. When did you get the information from Mr. Crosby that he had arranged matters, and that the order for quantities, prices, and time of delivery had been fixed?—Sometime in the summer of 1887. I think the order was given in the month of July, and the material was to be delivered as required before September 1st of the following year. I think that is the way the order ran.

2541. And you undertake to say that no delivery of type was made to the Government before the giving of a cheque to Mr. Benoit?—Yes; I undertake to say it.

2542. And that cheque was, to the best of your recollection, given in the month of January or February, 1888?—To the best of my recollection—Yes.

2543. I suppose there were some elections being carried on at that time, if the president of the Conservative Association had been asking him for subscriptions?—I do not know.

2544. You do not recollect that there was anything going on in the way of an election at that time?—Not to my knowledge. From hearsay, I do.

2545. You do not recollect?—I do recollect that the payment of \$1,500 was made.

2546. I am not asking about the payment. I am asking if there was an election going on at that time?—That I cannot say.

2547. Have you in your books, or in the possession of the firm any note of Mr. Senecal?—I had until four or five week ago, two notes of Senecal.

2548. That he had given to the firm?—Yes.

2549. At what time and for what amount?—One of \$150, I believe and one of \$200. One was given when he first came, and the other one shortly afterwards I do not recollect the time exactly.

2550. And that was at the time that he first came to your establishment—that is to say, at the time when he was appointed as Superintendent?—Yes, four years and a half ago. I cannot remember distinctly, but I know that the facts are there.

2551. You said that you had them until two or three weeks ago. Did you deliver them to anybody, and to whom?—I stated that Mr. Crosby, the Manager, asked for them and I gave them to him.

2552. Then the notes for which Mr. Senecal was responsible and which dated as far back as three or four years ago were kept in your firm, and were taken by the Manager, some two or three weeks ago?—Well four or five weeks ago. It is over three weeks since he was summoned to appear here, and before that.

2553. Do you know if he was an old friend of Mr. Crosby's, having been in the printing business for years before?—I don't know that he was.

2554. Well do you not know that Mr. Crosby was an old acquaintance or friend of Mr. Senecal's?—I don't think it.

2555. Are you aware, or do you know the reason why, Mr. Senecal gave to Mr. Crosby, or to your firm that note? For what object was it?—He said he was removing up to Ottawa, and he wanted money to pay his family's way up, and help him to move.

2556. From whom did he borrow that money? Was it from the Manager or the President?—From the Manager I believe; I do not recollect.

2557. You have stated that the Government had had, as you say a good bargain from your firm, that is to say that the prices were low. Do I understand you to mean that?—The prices were the legitimate prices, the same as charged any person under the same conditions: Ten per cent discount given for cash.

2558. And there was no consideration in the fixing of prices, for anything which would have been considered to be either presents, or subscription, or anything at all?—None whatever.

By Mr. Lister :

2559. But you did feel it necessary to make presents?—We just had to do it, or else get no orders. There was no bones made about it. He just came down and said; “Patterson is sending me so and so, why don't you do the same.”

By Mr. Hyman :

2560. No money, no orders?—That is about the size of it.

By Mr. Lister :

2561. He was going to get more from you than Patterson before he got through?—He did pretty well.

By Mr. Chapleau :

2562. I understand you to say that as far back as the winter of 1887 the order, the quantity, the prices, and the time of delivery had been arranged by Mr. Crosby with the Government at Ottawa?—I did not say in the winter of 1887. I said during 1887 I don't know whether it was in the spring or in the summer but I think, it was somewhere about the middle of the year—I think it was in July.

By the Chairman :

2563. Can you say to what extent that order went?—It amounted in all to about \$46,000. At first that was for the Bureau, then the electoral lists came in and the minion we had received on account of the first order, was put in with the other order—It was discarded from the Bureau and put into the electoral list part.

By Mr. Lister :

2564. At the time he left Montreal to come to Ottawa, Senecal was not in very good financial position was he?—He got about \$15 or \$16 a week.

2565. That was his salary?—About that amount.

2566. So that he could not have occupied a very high position—in business I mean to say?—No.

2567. And it was necessary, in order to get to Ottawa, that he should borrow this money?—Well he claimed that it was.

2568. So your company went through the form of taking a note, and intended to give him the money all the time did they not?—I don't think that that was Mr. Murray's idea at all, at that time.

2569. It was a *bona fide* loan at first?—At first.

2570. And the notes remained in the custody of your company for four years?—I say the notes were in my charge until six weeks ago.

2571. Nothing had ever been paid on them?—There was nothing ever paid on them.

2572. And I suppose you understand nothing is to be paid?—I understood it from the beginning.

2573. I suppose you have a practical knowledge of the type business? Is it a wise thing to purchase for the one office two fonts of type?—From one office two different kinds of type.

2574. For the one office?—From two different manufacturers?

2575. Yes?—It certainly is not.

2576. I understand that if they got mixed up at all, that one font would be destroyed altogether, would it not?—If they got mixed up both fonts would be destroyed.

2577. So that from an economical stand point it is not a wise thing to buy from different manufacturers for one office?—I don't think it was. I know if I was running an office I would not do it.

By Mr. White (Cardwell):

2578. You would not buy from two manufacturers for the reason the type would get mixed up?—That is the reason I would not want to get it from two foundries.

2579. Why should they get mixed up? You keep them separate in the office until you distribute them in the case?—You don't always distribute them in the right case.

2580. There would be just as much likelihood of distributing them in the wrong case with type furnished from one foundry as from two?—There are always a lot of things which may never happen.

By Mr. Somerville:

2581. Are you a practical printer?—I am not, but I know that type from two foundries won't match. There is only one firm that that is not the case with, and that is McKellar, Smith, and Jordan, and they have fancy type.

By Mr. Foster:

2582. How long have you been in the business?—Nine years since the 20th of April.

2583. And in the conduct of your business you have given to others who have placed orders with you, or have bought type from you, presents of money or anything else?—Merely giving a foreman a composing rule, a stick, or a bodkin.

2584. That is all you have done?—That is all.

2585. You have never given money or presents to any larger amount than that?—Never to my knowledge.

By Mr. Sproule:

2586. I understood you to say that when these notes were given first, they were given with the bona fide expectation that they were going to be repaid, is that it?—I never expected it. I believe that Mr. Murray, the then president, expected they would be; he looked upon it in the light of a loan.

2487. You said afterwards you knew from the first that they were not going to be paid?—I did not think they would ever be paid, but Mr. Murray did.

2588. I understood you to say you knew they would not?—I did not know. A man cannot tell whether a man is going to fulfil his promise, until the time matures, and you have the right to form your opinion then.

2588½. You believed they were not?—I believed they were not—that there was not the slightest intention to pay it, and if I remember aright the notes were made out in the name of the manager, payable to his order.

By Mr. Hyman:

2589. These things were sold to the Government at the same price as to the ordinary trade?—Yes.

2590. Did you have the discount of the ordinary trade?—The customer pays cash and we give him the discount certainly.

2591. What is the discount?—Ten per cent.

2592. For an order of the same size as an order of the Government?—Yes.

2593. What is the discount given to the Government?—Ten per cent.

2594. Taken off the face of the account?—Taken off the face of the account.

2595. You would give ten per cent for an order of \$100?—Not always.

2596. For cash?—For strict cash, we would.

2597. You would give the same discount on an order for \$100 as for \$50,000?—
Yes.

By Mr. Hyman :

2598. The discount you speak of is a cash discount?—A cash discount, not a trade discount.

By Mr. Lister :

2599. It appears on the face of the account?—On the face of every invoice I believe. There was one lot of stuff that was not invoiced—it was minion for the printing of the lists.

2600. There are different prices on one of your invoices, 44 cents and 50 cents?—Some of the type was 58, some 40, some 36 and some 32, all the way up from 32 cents to 75.

By Mr. Bergeron :

2601. The Government did not lose anything?—The Government never lost anything by it.

By Mr. Moncrieff :

2602. The Government got the type just as cheap, notwithstanding any payments made to Senécal?—Every bit.

By Mr. Somerville :

2603. How much minion did they buy from you in round figures?—About 67,000 lbs.

2604. To make this clear about the mixing of the font—is it not a fact that when you get an order for a font of type for a printing office—say for example the "Toronto Mail,"—when it is about to appear in a new dress, would they be likely to give part of that order to you, and give Patterson an order for Scotch type to mix with yours?—No. They would order all their sorts from us. Any printer with any knowledge would tell you that having two different fonts of the same type you run a great risk of their being mixed.

2605. You think that where a large quantity of type is purchased of minion say, that it is most desirable to give the order to one establishment?—Yes.

2606. And if you want to get the order increased, you would obtain it from the same source?—Yes.

2607. If a printer were to order 1,000 lbs of minion from you and 500 lbs from Mr. Patterson of Toronto, he would be next thing to a fool would he not?—I would certainly consider him next to a fool if he were to do so. Once the type got mixed it would be practically useless. In the first place the type is not the same height, has not the same body, and has not the same face.

2608. Then you are of opinion that Senécal did not do what was the in the interest of the Printing Bureau when he ordered from you and Mr. Patterson both?—No, I think he was working in his own interest.

By Mr. Chapleau :

2609. Do you know whether there was any correspondence with your firm about this question at the time the orders were being executed?—I do not.

2610. Have you seen the correspondence?—Yes.

2611. Do you know that the firm, the President himself wrote to the Government that they could not supply the amount required at the time, and that a reply was sent that to give them the delay, they asked for, would have certainly been unreasonable in view of the necessities of the Department in the matter of printing the Voters' Lists?—I am not aware that there was a letter received.

2612. Do you know how much type there is in the Voters' Lists?—I think there is 125,000 lbs.

2613. There is 160,000 lbs., if you want to know?—That was the original letter.

2614. Yes, but it was increased.—I know one thing for certain, that is that the sorts for our type were cast in Toronto and furnished to the Bureau. They stole our type, face and body of it to supply the Bureau with the sorts.

By Mr. Wood (Brockville) :

2615. Who stole it?—The foundry that made the type.

By Mr. Somerville :

2616. Do you know that to be a fact of your own knowledge?—Yes.

2617. That the sorts are here?—Yes.

2618. How did it occur?—Our men left us and went up there to work, and took away the type that they were making for the firm.

2619. What firm was it?—Marter, Lewis & Co., commonly called the Toronto Type Company.

2620. That is Mr. Johnston's place, is it not?—Yes.

By Mr. Wood (Brockville) :

2621. The Government had nothing to do with that, I suppose?—No.

By Mr. White (Cardwell) :

2622. I understand that part of the goods for this order for the Government were purchased in the United States?—Only some fonts of type that were not made in Canada.

2623. Did any other firm than one supply the order?—No.

2624. Do you know whether it was shipped from the United States?—Yes. Direct from McKellar, Smith, Jordan & Co., of Philadelphia.

2625. Do you know what prices were charged to Government for that type?—The American list prices.

2626. So that the question of duty did not enter into the prices at all?—Not at all.

2627. And you did not add 20 per cent on account of the duty?—No. We sold it at the American List prices.

By Mr. Somerville :

2628. Did you take any discount off out of the American list prices? We did not.

2629. If I gave you an order for a lot of American type to be imported here, and added the duty, would you give discount?—They did not add the duty.

2630. The Government did not get either duty or discount?—No.

2631. To make it plain. If I order, say, \$2,000 worth of American type from American specimens and you imported the type to Montreal and you would have to pay the duty, what difference in the price of the type would that make? Would not the duty be added to the price?—We generally add half the duty and make it net, but some type, we sell at list prices.

By Mr. Lister :

2632. Do you not get anything off the list prices?—We get something off the list prices to pay for the handling of it.

By Mr. Chapleau :

2633. The type that was bought in the United States was not bought by the Government at list prices?—Certainly not.

W. D. GILLEAN, called, sworn and examined:—

By Mr. Lister :

2634. You live in Montreal, Mr. Gillean?—I do.
 2635. You are assistant manager of the Canada Paper Company?—I am.
 2636. How long have you held that position?—About a year and a-half.
 2737. How long have you been in the service of the Company?—About 25 years.
 2638. What position did you occupy prior to assuming the position of assistant manager?—For some 10 or 11 years I was manager of the Toronto branch.
 2639. You were living in Toronto and manager of the branch there?—Yes.
 2640. And all these years you had been living in Toronto?—Yes; 12 years or nearly.
 2641. Had you any knowledge of the business in Montreal prior to assuming the assistant managership?—I was not fully conversant with all the details.
 2642. Do you know a man named Berthiaume, editor of *La Presse*?—I do.
 2643. How long have you known him?—Since June 1890.
 2644. What position does this gentleman, Berthiaume, occupy in Montreal—what was his business in June 1890, when you first became closely acquainted with him?—I understood that he was the printer of *La Presse*.
 2645. That he was the printer of *La Presse* a year ago last June?—Yes.
 2646. Will you tell me if you know whether he is a man of substance or a bankrupt?—I consider him a responsible man.
 2647. You consider him responsible?—Yes.
 2648. Do you not know that he is insolvent?—No, I never heard of it.
 2649. Have you ever looked at the quotations in Bradstreet to see what he is quoted at?—No, I have not.
 2650. Do you know anything about the New England Paper Company having contracted with Mr. Berthiaume for a supply of paper?—I have no knowledge further than what I have seen in the newspapers.
 2651. Do you know anything about the arrangement made by the Canada Paper Company with Mr. Berthiaume?—I am quite conversant with it.
 2652. Then you know that the Canada Paper Company assumed in a sense the position of the New England Paper Company. Do you know that they paid the New England Paper Company's indebtedness?—I do not know that they paid off the New England Paper Company's indebtedness.
 2653. Do you know that they paid Mr. Young?—I have no positive knowledge.
 2654. Do your books show it?—I do not think so.
 2655. Your Manager, Mr. MacFarlane, says they did pay certain notes made by Mr. Berthiaume to the New England Paper Company and endorsed by Mr. Chapleau?—I have no positive knowledge of that, but I presume that a portion of the money advanced by us went for that purpose.
 2656. Your manager says it did?—I do not know.
 2657. Did he tell you so?—No.
 2658. Are there any entries in your books showing the transaction?—Yes, there should be.
 2659. Have you anything to do with the books?—No.

By the Chairman :

2660. What are your duties?—I am assistant to the Manager in the general administration of the business. All orders for paper go through my hands and I distribute them to our different mills.
 2661. And the contract with "La Presse" was entered into before your going to Montreal?—Some three months prior.
 2662. So, as a matter of fact, you would have no personal knowledge of the matter at all?—Nothing further than that I have seen and read the contract.
 2663. Have you it with you?—I have not.

2664. Have you read any other papers except the contract in connection with it?—No, I have not seen any or heard of any—no letters or papers outside of the contract.

2665. Does that contract contain any provision as to the division of profit on paper sold to the Government?—None whatever.

2666. Or that they should be applied to the reduction of the promissory note by Mr. Berthiaume?—Nothing at all.

2667. There is no such provision contained in that contract as this: "Should the Canada Paper Company receive any contract or order from the Government, one-half of any profit received therefrom shall go towards liquidating the above indebtedness"?—Nothing of the kind.

2668. You have seen no such agreement?—Nothing of the kind.

2669. There is no such matter in it?—No; I am positive. I never heard of it.

By Mr. Chapleau :

2670. You have seen that contract?—Yes.

2671. And you know there is no such understanding between Mr. MacFarlane and Mr. Berthiaume?—No.

2672. And no rebate is made except when the notes are partially paid?—No rebate whatever.

2673. You have been asked if Mr. Berthiaume was a bankrupt. He has been a long time a printer in Montreal?—Yes.

2674. Is it not a fact that Mr. Berthiaume is a solvent man, and is what is called in your trade a desirable customer?—A very desirable customer, and pays very satisfactorily, and has done so since my connection with the Company last June.

By Mr. Lister :

2675. Do you undertake to say that he is financially a responsible man. That is to say, out of whom an execution could be made for \$1,000?—I cannot go beyond our dealings with Mr. Berthiaume.

2676. He pays you satisfactorily?—Yes.

2677. Can you say that you would take his promissory note unendorsed by Mr. Chapleau or some other good man?—I might under certain circumstances.

2678. But you would feel safer with an endorser on a note for \$10,000, for example?—It is safer to have an endorser.

2679. Would you take his note for \$10,000 unendorsed by Mr. Chapleau?—I would prefer to have it endorsed. This transaction of Mr. Berthiaume's with our company is what is called an extraordinary circumstance. Mr. Berthiaume was advanced a certain amount of money. It is not purely and simply a sale of so much paper. It is an advance of money for a certain use and consequently he gives an endorser. Provided that Mr. Berthiaume did not want an advance of money we would not ask for an endorser.

2680. You are not money lenders; your firm sells paper?—Precisely.

2681. You state that it was an extraordinary transaction?—I know of one or two other cases.

J. D. ROLLAND re-called and further examined:—

By Mr. Lister :

2682. I was asking you the other day about your contract and we got on the question of paying money to Mr. Dansereau. I think that you said something about having paid \$1,000 this year. Was it to Mr. Dansereau?—No.

2683. Whom was it paid to?—It was paid to the Secretary of the Manufacturers Association.

2684. Who was the Chairman of that Association in Montreal?—Mr. Lacoste was the chairman.

2685. Was not Mr. Tassé?—No. Mr. Lacoste was our chairman.

2686. Was not Mr. Tassé an officer in the Association?—No, I do not think he was.

2687. You were the treasurer I believe?—Yes, sir.

2688. The last election?—Yes.

2689. I ask you whether that \$1,000 was all you paid to the last Dominion election?—

Question objected to.

WITNESS.—I do not know that I am obliged to answer. I am treasurer for five or six different committees—the Citizen's League, municipal elections, provincial elections and others. (Objection sustained).

2690. Were you treasurer of the Conservative Association for Mr. Chapleau's district?—

Mr. FOSTER.—Why should that question be asked?

Mr. LISTER.—I think I ought to know something about his position in order to come to a conclusion as to whether favouritism has been shown to him or not?

WITNESS.—I may say that I have known Mr. Chapleau for 25 years, and no favoritism has been shown to me in that contract at all, because the Government could not do otherwise. I am the only manufacturer of paper of that quality in the country and because I offered to supply the paper at the same rates as they get in England it is not possible for the Government to favor me. I believe however in the Government obtaining their goods in the country. Under the National Policy they could not do otherwise.

By Mr. Bergeron :

2691. Did you get some new machinery for the purpose of carrying on your contract?—We had to spend over \$100,000 to get special machinery.

By Mr. Lister :

2692. You got a 3 years contract in 1887?—Yes.

2693. How did you come to get a new contract?—It was to be renewed.

2694. It was not renewed though?—It was renewed in June.

2695. There was no agreement between you and the Government by which the Government was bound to renew it?—No, but there was no other manufacturer of that kind of paper in the country. There is no one else to make it.

2696. How did you get the renewal; did you come to Ottawa?—I came to Ottawa and saw the members.

2697. What members?—Mr. Desjardins, Mr. Girouard and Mr. Curran.

2698. You saw them?—Yes and I saw the Minister—the Secretary of State.

2699. What did you want to see the members for?—In order that they would see the other members of the Government to get me a renewal of the contract.

2700. Did they see them?—Naturally. I expected them to see them and get me the contract renewed.

2701. If you are the only man who was manufacturing that kind of paper in this country, what was the necessity, knowing the Government must have your paper, for seeing Messrs. Curran, Desjardins and Girouard?—It was quite necessary to know whether I was to continue to supply the Government with paper or not. Because if so I must have had some new machinery this year. This is what we are doing at present.

2702. Then up to 1890 you had not all the machinery you require?—Our trade has been progressive. My trade is growing because I am making good goods. My trade in Toronto this year is double what it was last year.

2703. So that it depended on whether or not the Government extended the contract that you would get in new machinery?—If I had not had the contract with the Government I would not have put in new machinery, because I could supply my orders with the machinery I had, but having the continuation of the Government

contract I had to put in some supplementary machinery in order to enable me to manufacture more paper.

2704. So that in order to get the contract extended it was necessary to see certain members of Parliament and the Secretary of State?—Well, I have gone to see them sometimes. The first time I had my contract I spoke to different members about it and it was Mr. Bowell, a practical man, who saw the advantages of having it made in this country.

2705. I ask you now whether since 1887 during each year or in any portion of those years, your company or any member of your company has paid a loan or given money to Mr. Dansereau or somebody for him?—

Mr. BERGERON.—In relation to this contract?

WITNESS.—In relation to this contract, I never paid a cent.

2706. I ask you the question whether since 1887, I think that is the time you got the first contract, down to the present time, you, your company, or any member of your company to your knowledge, or with your consent, has paid to Mr. Dansereau, or anybody for Mr. Dansereau, money in the shape of a loan or a gift?—Not in relation to this contract.

2707. You have paid no money to Mr. Dansereau to influence these contracts?—I may say no.

2708. To influence the Government in regard to these contracts?—Not at all. Mr. Dansereau was a friend of my father's. My father helped him a great deal. Since 20 years I have had relations with him. I may say that I have had a contract with Mr. Dansereau since 1875 for the publishing of the Quebec Readers in French. It was a co-partnership. I paid him money on that, if that is necessary to be known.

2709. These are the only moneys?—These are the only moneys we paid to Mr. Dansereau. I gave no consideration to get this contract.

On the general question as to whether the witness should be interrogated on matters not connected with the enquiry, the chairman ruled that while the fullest latitude must necessarily be given, and would be given to every enquiry as to the expenditure of public moneys, and every fact connected with it, it was not the business of the committee to enquire how persons expended their own money.

The committee divided and the Chairman's ruling was sustained by 16 to 12.

WITNESS—The other day I was examined about the price of my tender. I may say that my tender and the letter I then wrote are in the hands of the committee. It was said that I sold paper at a $\frac{1}{4}$ of a cent more than my tender. My tender and my letter to the Government will show what the price was.

By Mr. Lister :

2710. I have it here. You put in a little extra not asked for by the advertized tenders?—I am giving an explanation because it has gone out in the press that I was favoured $\frac{1}{4}$ of a cent more than my tender called for. The tender is very plain.

By Mr. Chapleau :

2711. You were not favored to the extent of $\frac{1}{4}$ of a cent?—Not at all. It is the regular price when a paper manufacturer supplies paper that is super-calendered. The regular charge is from $\frac{1}{4}$ to $\frac{1}{2}$ a cent per pound according to size or weight.

By Mr. Lister :

2712. None of the other tenderers had that privilege?—I cannot say about that. Here is a copy of my tender if you want to see it.

By Mr. Foster :

2713. The price is $\frac{1}{4}$ of a cent for super-calendering?—Yes, that is right.

By Mr. Lister :

2714. That was not done when tenders were asked for? None of the others had it?—I don't know what the others had, but I know it is done very often in tendering.

2715. You tendered at 7 cents per lb?—Yes.

2716. At $7\frac{1}{2}$ cents per lb?—Yes.

2717. At another price of 7 cents per lb?—Yes.

2718. Then there was another price of $6\frac{3}{4}$ cents per lb?—That was according to the quality of each kind of paper.

2719. Then you go on and make a little note at the foot which the tender does not ask you to do?—That is a continuation of the letter.

2720. You go on and say: "We also tender to make 650 reams of $31\frac{1}{2} \times 25\frac{1}{2}$ of 40 lbs. per ream, of 500 sheets in any of the above qualities of paper?"—You are mixing it up. Read before that and you will find my price.

2721. You say before that: "or to make you exactly the same quality of Double Royal, as furnished you last July, cost for printing the Statutes at \$4.20 per ream delivered, and would give a little more finished if required without extra charge, any of the above samples can be super-calendered at an extra cost of $\frac{1}{4}$ of a cent per lb?"—Yes.

2722. None of the others had the same advantage?—Well, sir, if they wanted it.

2723. Then you see Mr. Bronskill writes this letter:—

" DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,
" OTTAWA, May 17th, 1889.

" Messrs. J. B. ROLLAND et Fils, Montreal.

" I have the honour to inform you that your offer marked 936 in 350 reams of Double Royal printing paper 27 x 41—60 lbs in reams of 500 sheets, flat, properly packed in 2 ream bundles, and delivered here free within 2 days from date hereof, at seven and a quarter cents per lb., super-calendered, has been accepted, the whole to be strictly in accordance with the conditions and terms named in the forms of invitation. * * * "

2724. Now, there was not one word in the form of tender received by you about super-calendering?—Yes, read what you have in your hand. "Any of the above samples can be super calendered at an extra cost of $\frac{1}{4}$ of a cent per lb."

2725. That is what you said in your letter, but where is the letter asking you to tender, and the terms upon which you were asked to tender?—I have not got that.

2726. So one word was never said about super-calendering?—There might not be. None of the others seem to have thought of writing this.

By the Chairman:

2727. Is it worth a quarter of cent to super-calender this paper?—A quarter of a cent is the lowest figure at which paper is supercalendered. We charge half a cent upon a wider sheet, because a wider sheet is more difficult.

By Mr. Somerville:

2728. The Government never asked for the price of super-calendering from any of the other tenderers?—I do not remember that. But my reply is that I thought it advisable to give him the choice.

By Mr. Chapleau:

2729. Is it not customary with you, when you think it is necessary to tender, to give the price and say that if you want to have the paper super-calendered it will be so much more?—To be sure we often ask that question. Sometime they do not want to super-calender papers of a certain kind they think it is paying money for nothing. When paper is super-calendered, it makes a finer finish.

WILLIAM MEEK called sworn and examined:—

By Mr. Lister:

2730. You are a practical printer, I believe?—Yes, sir.

2731. Where do you work now?—The *Whig* Office, Kingston.
2732. Do you know anything about the Printing Bureau?—I do not know anything particular about the Printing Bureau.
2733. Have you been there and seen the printing presses?—Yes.
2734. You are the agent for a printing press, I understand?—Yes.
2735. What press?—Babcock & Co.
2736. Where is their place of business?—New London, Connecticut and New York.
2737. Do you know that the Printing Bureau required a number of presses?—Yes, sir.
2738. Had you any negotiations with Mr. Senécal respecting the sale of presses for the Bureau?—No, sir.
2739. Did you see him about it?—I saw him and spoke to him about it.
2740. You were offering presses for sale?—Yes.
2741. And what did he say?—He said that the time was not come yet. That there was no one appointed to buy them.
2742. Did you ever see him further?—No.
2743. Did you ever see the presses they have got?—Yes, the Potter Press, New York and the Gordon Press.
2744. Now are you the agent for a press which will do the same work as the Potter Press?—A similar press.
2745. Do you know what these Potter presses cost?—I do not know.
2746. \$4,000, I believe?—I do not know.
2747. What did you offer the press for, if the Department wanted it to do the work of the Potter press?—\$2,300.
2748. Delivered right there?—Yes, right there.
2749. Are there any other presses there similar to those you supply?—The Gordon press which is smaller.
2750. What is the price of the Gordon press?—\$275 or \$250, is the price of it.
2751. And the other press would sell at \$2,300?—Yes.
2752. The Babcock would sell the same as the Potter?—Yes.
2753. And the Gordons would sell from \$250, to to \$275. ?—Yes.

By Mr. Bergeron :

2754. Is that the same size?—Yes, the same size, and for the same work.

By Mr. Lister :

2755. Do you know the Hon. Mr. Bowell?—Yes.
2756. Were you called upon at any time to give the value of the presses down here—were you spoken to about it?—I had a conversation with Mr. Bowell when I was down here.
2757. Before the presses were bought?—Yes.
2758. What was it about—in connection with the Printing Bureau?—In connection with the Bureau and other things which he spoke to me about.
2759. In connection with the Bureau plant?—Yes.
2760. Was nothing said about printing presses?—We had a conversation about the presses and I told him that these presses were about the best and what they cost.
2761. Which?—The Babcock. I told him that they could be bought cheaply and he referred me to Mr. Senécal, and I spoke to him, and Mr. Senécal told me that the time had not come to buy.
2762. And he never saw you afterwards about buying them?—No.
2763. Were you at any time—about a year ago, more or less, spoken to about giving evidence as to the value of these presses?—I do not remember.
2764. Did you hear of any investigation at all that was taking place?—No.
2765. You were never spoken to by Mr. Bowell about the value of the presses?—Not afterwards.

2766. And what you now say is, that you would furnish a press as good as the Potter press for \$2,300, and as good as the Gordon press for \$250 and \$275?—Yes.
 2767. You have seen these presses in the Printing Bureau?—Yes.
 2768. And you know what they are?—Yes.
 2769. You are a practical printer?—Yes.
 2770. That is you are a judge of such things?—Yes.
 2771. And the press you are agent for is as good as the Potter press?—Yes, sir.

By Mr. Montrieff :

2772. This Potter press and the Babcock press are not identically on the same principles, are they?—They are the same class of press, there are four makers, and they are marked in the list for about \$4,000, but they sell them from 40 per cent to 45 per cent lower than the list price. The Potter press has been sold within the last six weeks for \$2,500.

By Mr. Lister :

2773. From 40 per cent to 45 per cent less than the list prices?—Yes, sir.
 2774. The same sized press?—Yes. The same sized press, the Potter press has been sold within the last six weeks, I know that it was offered for \$2,500 two sizes larger than this.
 2775. Two sizes larger than this?—Yes. I could have supplied the Department with a press of the same quality for \$2,100 for an order of such magnitude.
 2776. When were these others bought that you are talking about?—I am selling them all the time.
 2777. What was the time you were offering to sell them to the Department?—When it was commencing; before they were bought.
 2778. When was that?—About 1887, I think.

By Mr. Lister :

2779. Was the same rule then in force of 40 to 45 per cent off the list prices?—Yes.

By Mr. Taylor :

2780. Did you give Mr. Senécal the prices at which you would furnish the presses?—I did not give him my exact figures. I said I would be willing to give prices and that they would be about \$2,200 to \$2,300; but if I had got a large order like that I would have given them for \$2,100.

By Mr. Somerville :

2781. You have said that a press two sizes larger than the Potter press in the Printing Bureau was offered for \$2,500?—Yes.
 2782. What would be the difference between the list prices of the press two sizes larger and the smaller presses in the Printing Bureau?—\$500 or \$600 difference.
 2783. That would mean that the presses in the Printing Bureau, according to the prices asked for this press, should have been had for about \$2,000?—Just about.

By Mr. Foster :

2784. Do you say that you can give Potter presses of equal size with those in the Printing Bureau for \$2300.00?—Not Potter presses, but similar presses, judged by competent printers to be the same.
 2785. Could you give the Potter press?—No, but the Potter press has been offered within five weeks at \$2,500 and has been sold all over the country at \$2,500.
 2786. Is that price equal to the price three years ago?—About the same.
 2787. Four years ago?—It would be about the same. Prices have been about the same for five or six years.
 2788. Do discounts run about the same for those years?—They have been sold for forty-five per cent below the list prices for four or five years.

By Mr. Coatsworth :

2789. Do they not claim their prices to be superior to yours?—They do; but we claim ours as equal with theirs.

2790. Do they sell at list prices the same as yours?—Yes; the list price is the same and the only question is who can give the largest discount.

By Mr. Chapleau :

2791. Did you see the Potter list prices in 1887?—Yes.

2792. Do you know that the large presses in the Printing Bureau were scheduled then in the list at \$5,800?—They have put it on a little more.

2793. Can you state whether the presses—large presses like you have seen in the Printing Bureau—were in the list at \$5,800?—Those presses are two sizes larger. They are double royal. There is another size between those two.

2794. You cannot swear that these large presses that are there were not on the catalogue at \$5,800?—It might be on those two large presses. I am giving the average of the presses there.

2795. If it was \$5,800, and forty per cent off, how much would that make it? Would it not be \$3,500?—In a case like that we would give fifty per cent off.

By the Chairman :

2796. You say there was a uniform price list?—Yes.

2797. Were there any double royal presses supplied to the Printing Bureau?—Yes.

2798. How many?—Some twelve or sixteen.

By Mr. Lister :

2799. Most of those supplied here were for \$4,000?—Yes.

2800. Off that would be from forty to forty-five per cent.?—Yes.

2801. And taking the whole thing through, you would have been willing to sell for how much off?—Fifty per cent.

2802. On account of the largeness of the order?—Yes.

By Mr. Taylor :

2803. What was the list price of the large one they have there?—About \$5000 for the largest that is there.

2804. Did they have any at \$5,800 list price?—I do not think so.

By Mr. Moncrieff :

2805. I understand from you that the list price is no good at all as to what you buy the article on?—It is no good at all.

2806. So that it is a perfect blind?—Yes.

2807. You have got to find out what the discount is before you can ascertain what the actual price is?—Yes.

2808. You do not sell Potter presses at all?—No, but I could sell one.

2809. But you are not agent for the Potter press?—I can sell their presses.

2810. Are you their agent?—No.

2811. Have you ever sold any presses for them?—No.

2812. You are an agent for the Babcock press?—Yes.

2813. And you find a good deal of competition with other manufacturers?—We have to meet a close competition.

2814. And sometimes the Potter press comes into active competition with the Babcock?—Yes, a Potter press was sold in Chatham a few weeks ago for \$2,300.

2815. Have you known of cases where people have taken the Potter at a higher price than yours?—Never. If I come in competition with their agent for a particular class of press we do not sell.

2816. I suppose you have known people buy the Potter press where they need not pay so high?—Yes.

2817. And you have seen the Potter Press sold at prices you could not supply a Babcock for less?—Yes.

2818. And the purchaser would take the Potter?—Yes.

2819. Consequently he bought at a higher price?—Yes.

By Mr. Chapleau :

2820. Do you know Mr. George E. Desbarats of Montreal?—Yes.

2821. Is he a judge of presses?—The same as other printers.

2822. He is a good printer?—A good printer.

2823. Is he a reliable man?—I think so, as far as I know,

2824. Do you know Mr. Samuel Dawson?—Not personally; I know him by reputation.

2825. You do not know whether he is a judge of presses or prices of presses?—Yes.

2826. You know he is connected with the printing and book binding trades?—Yes.

2827. By what you know of these two gentlemen, do you suppose a man who was not possessed of technical knowledge could rely on their advice in the matter of presses and prices?—Not on these old printers, we cannot. They are away behind the times.

2828. Not even if they have remained in the business?—They have an old fashioned idea of high prices.

2829. So that according to you a man who has been 30 or 40 years in the printing business will know less than another man as to presses and prices even though he has continued in the business up to to-day?—If he is not mechanically inclined to know what he is about.

2830. But supposing he is in the business every day and has had 40 years experience, would he not be a judge of what he is doing?—There are men who have been 40 years in the printing business that really do not know anything about the buying of presses.

By Mr. Somerville :

2831. Is it not a fact that some of the oldest printers in the printing offices in the country have the poorest machinery?—It is.

2832. And new offices started within recent years, they are the offices supplied with the best machinery?—Yes.

2833. And they are the proprietors best capable of judging?—Yes.

By Mr. Chapleau :

2834. Do you mean to say that a man who, because he has been 30 years in the business and continues to be in the business to-day, not having the most improved presses is not a good judge of presses because he has bought the same 30 years ago?—I do not say that.

By Mr. Lister :

2835. Do you know the Hoe Company?—Yes.

2836. They make good presses?—Yes.

By Mr. Chapleau :

2837. Are the Hoes any better than the Babcocks?—No, they are not.

2838. Do you know that the prices of their presses are about double the price of the Babcock press?—I do not. They are not. I know all about their prices. You cannot puzzle me on that.

2839. But their prices are higher?—They are higher, but not much when you come to the actual figures.

By Mr. Somerville :

2840. Do you know something about the reputation of the Hœ Company ? It is a very wealthy company ?—Yes.

2841. And they are known amongst the printers in Canada and the United States as the men who keep up their prices ?—Yes.

2842. And have done so right along ?—Yes.

2843. Whilst other manufacturers have been competing against each other the Hoes have persisted in keeping up their prices ?—They are a great deal lower in price than they formerly were.

2844. But they are a very wealthy firm and able to maintain their prices better than any other firm.

The Committee then adjourned.

COMMITTEE ROOM, THURSDAY, 10th September, 1891.

Committee met—Mr. WALLACE in the Chair.

J. Y. REID called, sworn and examined :—

By Mr. Lister :

2845. You are in business in Toronto ?—Yes.

2846. In what line ?—Wholesale stationery and paper.

2847. How long have you been in business ?—About forty years.

2848. Do you know Mr. Senécal of the Printing Bureau ?—I saw him once.

2849. Do you know as a fact that he purchased certain supplies from your firm ?—Yes.

2850. Amounting to sixty-three tons of a certain kind of mill-board ?—Yes ; mill-board and straw-board.

2851. Had you anything to do with him in making that sale ?—No.

2852. It was made by Mr. Morgan, your traveller ?—Yes.

2853. Were you aware that Mr. Morgan had paid him \$200 as a commission ?—Not at the time.

2854. Was it long afterward ?—Yes ; a considerable time.

2855. Would you have permitted any such payment if you had known it ?—Certainly not.

2856. Have you in your business career made any such payment ?—Not to the extent of five cents to anybody.

2857. So, what Mr. Morgan did was without your consent or knowledge ?—Yes.

2858. And you would never have allowed it to be done had you known it ?—No.

By the Chairman :

2859. Did you communicate with Mr. Chapeau, the head of the Department, as soon as you knew it ?—No.

By Mr. Taylor :

2860. When were you first informed of it ?—A considerable time after the sale was made.

2861. How long is "a considerable time"—a month ?—It must have been more than that.

2862. Had the goods been delivered ?—Yes.

2863. Was it your Accountant who informed you ?—Yes.

2864. He stated that he had \$200 entered in his cash account, and that it was for this purpose ?—No, it was for expenses to Morgan.

2865. Did he explain what the item was for and the particular kind of expense?—No; Mr. Morgan's evidence, the other day on that point, was quite full with regard to the matter.

2866. When did it come to your knowledge?—A good while after.

2867. You are a Director of the *Globe* newspaper?—Yes.

2868. You did not cause this to be stated through the columns of the *Globe*?—Of course not.

2869. If you thought Mr. Sénécal was beating the Government, why did you not think it a proper course to let the people know it? Did you write to Mr. Chamberlin, the head of the Department?—I did not write to anybody.

2870. You let the money go?—It was gone.

2871. You made very little on the sale?—Very little. When this deal was made with Mr. Sénécal there were two or three parties tendering for the contract, and ours happened to be a little the lowest and we got it.

2872. There was very little profit made out of it?—Scarcely anything. It would have been better if we had never seen it.

By the Chairman :

2873. Was the sale to the Government at a very low figure?—Yes; a very low figure; under our regular price.

A. DANSEREAU called, sworn and examined:—

By Mr. Lister :

2874. You are postmaster at Montreal?—Yes, sir.

2875. How long have you held that position?—Since February of this year.

2876. Up to that time what business were you engaged in?—No special business. I was engaged in different business enterprises.

2877. No particular business?—No.

2878. Do you know Mr. Sénécal?—Yes.

2879. How long have you known him?—I do not know; twenty or twenty-five years.

2880. I believe you and he went to school together?—No.

2881. Have you known him in Montreal all that time?—He was not always in Montreal. I knew him in Montreal about twenty years.

2882. Where did he go then?—I do not know.

2883. At any rate, he left Montreal?—Yes, for a few years, and then he came back.

2884. How many years is it since he came back?—I do not know.

2885. Twenty years?—I do not know.

2886. Were you at all intimately acquainted with him?—No.

2887. But you knew him very well?—Not very well.

2888. Do you know what he was doing at the time he was appointed to the Printing Bureau?—He was manager of *L'Étendard*.

2889. You do not know what his salary was?—No.

2890. Did he ever speak to you about being appointed Superintendent of the Printing Bureau?—No.

2891. Did any person ever speak to you about appointing him?—Yes.

2892. Who?—A couple of his friends.

2893. They went to you about his appointment and wanted you to use your influence to get him the position?—Yes.

2894. Who did they want you to see?—Mr. Chapleau.

2895. I suppose you did see him?—No. I think I wrote him once that one of his friends—I do not remember what friend it is—had mentioned his name in connection with other names. I never spoke to him personally.

2896. If I recollect, for the last nine years I have seen you here pretty near all the session. Have you not seen Mr. Chapleau through the session?—Yes.

2897. And you mean to say that these friends having spoken to you about this man you did not speak to Mr. Chapleau?—I never took any interest in any appointment—no special interest.

2898. Except your own?—Not even my own.

2899. You got the postmastership without asking for it?—Yes.

2900. Then you saw Mr. Chapleau, during the session, nearly every day?—Yes.

2901. And you never spoke to Mr. Chapleau about this appointment?—I was not concerned in it.

2902. Did you or did you not?—I did not.

2903. You never spoke to him about it?—No.

2904. Did you often meet Senécal after his appointment?—No; only just on the street.

2905. Only on the street?—On the street, yes.

2906. You never met him at all at Mr. Chapleau's?—Never; I never went to his office.

2907. You remember, I suppose, when the printing material was being bought for the Printing Bureau?—Yes.

2908. Did you take any interest in that?—No, sir.

2909. You took no interest in it?—No.

2910. Did you not go down to New York?—Yes, sir.

2911. And did you go to see the Hoe Company?—I did not go to New York for that.

2912. But you were in New York?—Yes.

2913. Before the printing presses were bought?—Yes.

2914. And you say you did not go there for the purpose of buying printing presses?—No.

2915. But you went to Hoe's concern?—Yes. On the day that I was leaving for New York, Mr. Chapleau was in Montreal, and he said to me: "Since you are going to New York, you will do something for me. Go around to these establishments and call for the price lists." Then after that, he said: "After you will have the price lists, will you in my name see those people and tell them that, if it ever comes to my knowledge that they paid commissions to anyone, I will cancel all orders immediately." And one of those gentlemen in the two establishments I visited—especially the Potter Company—said to me: "We never pay personal commission."

2916. They never paid personal commission?—That they never paid personal commission. They said: "We do a great deal of business with the Washington Government and we never pay commission, only when election time comes we subscribe to the party." Well, I said, I should have nothing to do with that. It will be quite acceptable if you give to the general organization of the party, whether in Toronto, or Ottawa, or Montreal. Nothing else was mentioned. My only object was to prevent them from paying any commissions.

2917. Your object was to prevent them giving commissions?—Yes.

2918. You went to the Hoe Company, when you went down there, and you wanted a list of prices?—Yes.

2919. And you told them that your instructions from Mr. Chapleau were that they were to pay no commission?—Yes, sir.

2920. That if they did pay commission, the extreme penalty of cancelling the order would be the consequence?—That is what I said.

2921. When was that?—I don't remember even the year. I know that the material was not bought at that time.

2922. But you were particularly careful to warn these people that they were to pay no commissions?—Yes, sir.

2923. May I ask you who it was that you saw in the Hoe Company?—I don't know.

2924. Did you ever see him before?—No, sir; it was the first time.
2925. That was the first time you ever saw him?—Yes.
2926. Have you ever seen him since?—No, sir.
2927. You never saw him before or since, and your business was simply to get the list of prices?—Yes, sir.
2928. How long did that conversation last?—I don't know; twenty minutes, I suppose.
2929. Twenty minutes you think would be the outside limit of the conversation?—I should think so.
2930. Where did it take place?—In the front office.
2931. Who was present?—I don't know.
2932. Anybody besides the man you were talking to?—I did not pay attention to that.
2933. Was it a large office?—Oh, yes, a large building.
2934. With a large number of clerks in it?—It was an immense building.
2935. Were there any clerks standing near where you were?—I did not pay attention; I don't know.
2936. So that when you went into the office, you saw somebody there you never saw before or since, and you don't know who he is?—No.
2937. You cannot give me his name?—No.
2938. Your object was to get a list of prices for presses?—Yes.
2939. And in that twenty minutes' conversation you told him that if he dared to pay commission to anybody, Mr. Chapleau would cancel the order?—Yes, sir.
2940. That was a fearful warning. He said that they never paid commissions, but you told him though, that they might give commissions to a political organization?—Oh, no. It was himself who mentioned that.
2941. That is what I understood you to say?—He mentioned what they used to do in Washington.
2942. That they never allowed commissions over there, but they subscribed liberally to the party fund?—For the general elections.
2943. So that, so far as you were concerned, you never suggested that they should subscribe anything for our elections?—Oh, no.
2944. Of course not?—I had no opportunity, because he told it himself.
2945. But you were particular, I suppose, in impressing upon him that he was not, under any consideration, to pay anybody any commission upon the purchase of these presses?—Yes, sir.
2946. You swear to that positively and distinctly?—Yes, sir.
2947. You had nothing to do with the purchase of the presses?—No, sir.
2948. After you got through with the Hoe Company you went down to the Potter Company?—Yes, sir.
2949. And whom did you see in the Potter Company's establishment?—One of the gentlemen, I don't remember the name.
2950. Did you ever see that man before or since?—No.
2951. You have never seen him before or since?—(No answer.)
2952. What was your business there? To get a list?—The same thing.
2953. Did you have a conversation in the office?—Yes; exactly the same conversation.
2954. So that when you went to see the Potter Company you impressed upon them the fact that if they offered to pay anybody a commission on these presses the order would be cancelled?—Yes, sir.
2955. How long did your conversation with the Potter man last?—About the same time.
2956. About twenty minutes?—Yes.
2957. About twenty minutes of conversation with the Hoe Company and twenty minutes of conversation with the Potter Company, and that was the first and last conversation you ever had with them?—Yes.

2958. On both of these occasions you impressed upon them the fact that they were not to pay commission?—Yes.

2959. Did the Potter man say anything about commission?—He said exactly the same thing: That their practice was not to pay a commission, but to give a subscription during election times to the general organization of the party.

2960. So he told you precisely the same story?—Exactly the same.

2961. When did he tell you that? Was it before or after you warned him not to pay a commission?—I had hardly finished telling him not to pay a commission when he started explaining to me what was his practice.

2962. You began telling him that he was not to pay any commission, and before you got through he began telling you what the practice was on the other side?—Yes.

2963. Was it after that you told him Mr. Chapleau would cancel the order?—I told him at that time.

2964. Before he told you what the practice was over there?—Yes.

2965. Did you go to any other press company?—No.

2966. Were you in earnest about it or were you smiling when you were telling him not to pay a commission?—I was in earnest.

2967. Mr. Sénécal had been appointed at that time?—Yes.

2968. He was the Superintendent of the Printing Bureau at that very time?—Yes.

2969. You believed him to be an honest man?—Yes.

2970. You knew that he would have the purchasing of these presses?—Yes.

2971. You never thought that the honest Sénécal would think of asking for a commission?—I never thought.

2972. It never entered your mind. You never thought that Sénécal would exact a commission from these men?—I did not pay attention to it at all.

2973. It never entered your mind that Mr. Sénécal, when he went down to buy these presses, would demand a commission?—I did not even think of it. I did not even tax my mind as to one thing or the other. I did not care at all what he was doing. I had no business with that.

2974. I want to know. You told us that Mr. Sénécal was the gentleman to purchase presses and select them, and according to your statement he was a strictly honest man and would not do an improper act as far as you knew. You would not think that he would exact a commission from these people?—I do not take the trouble of thinking of anything that does not concern me. I was never concerned in it.

2975. Pray, why did you warn these people about a commission?—Mr. Chapleau had asked me to go.

2976. Why was it you warned these men against paying a commission?—Because Mr. Chapleau had asked me. We had this idea, that the American practice was very extensive of paying a commission.

2977. Was it because Mr. Chapleau told you to do so?—Yes, of course.

2978. Mr. Chapleau, before you went away from Ottawa, asked you to tell these men that if they paid a commission he would cancel the order?—Yes.

2979. You told this Committee that before going to New York Mr. Chapleau asked you to—. I was going to New York and I met Mr. Chapleau by mere accident and told him I was just off for New York.

2980. How long were you talking to him?—I do not know.

2981. Two or three minutes?—Not more than that on that matter.

2982. During that conversation you told him you were going to New York, and he asked you to go and see these presses and get a list of the prices?—Yes.

2983. And you say he told you to warn the men not to pay a commission?—Yes. There was another reason why Mr. Chapleau wanted me to see the presses. We had a talk between a few men—Mr. Chapleau was one of them, and I have been in the printing business myself for a very long time and know something about presses—and while we were talking about presses I told Mr. Chapleau that there was a great difference between the Hoe and the Potter press. I would give the preference to the

Hoe. I said "I do not know why a practical printer would give preference to the Potter." This brought that other conversation and he said that in case I should go there, I should get a price list and make a comparison, because the argument of Mr. Sénécal was that the Potter presses were just as good and cheaper.

2984. You saw Mr. Chapleau after you got back?—Of course, I saw him.

2985. What did you tell him?—I do not think I ever mentioned anything after my return.

2986. Did you ever go to New York a second time?—No, sir. I remember that three weeks after, I think, the Hoe establishment sent one of their men to me in expectation of securing the order. I do not remember what I said to him, because I did not pay much attention; only I said to him that the whole thing was in the hands of Sénécal and he should see Sénécal.

2987. Then you never went back to New York to these press companies?—I never was concerned in it any more.

2988. You were not concerned in it enough to tell Mr. Chapleau what took place?—I do not think I mentioned anything to him. I never paid any attention to it.

2989. You say that one of the Hoe men, or a man from the Hoe Company, was sent up to see you about these presses?—Yes.

2990. And you referred him to Mr. Sénécal?—As far as I can recollect now. It is so long ago.

2991. Did Sénécal go down to New York after you were there?—I suppose so. I do not know.

2992. You never heard him say anything about it?—I never talked to Sénécal about his establishment in my life.

2993. You had no dealings with Sénécal at all?—No, sir.

2994. Never had any correspondence with Sénécal?—No.

2995. Never had any talk with him about the Printing Bureau?—Never. Of course, when I met him on the street I might have asked him how it was going, and that is all.

2996. Did you ever see any letters that Sénécal wrote to those people?—No.

2997. Do you know that Mr. Chapleau went to New York afterward?—Yes.

2998. Who went with him, Mr. Sénécal?—No; I think that every time Mr. Chapleau went to New York I went with him.

2999. Were you in New York with Mr. Chapleau, at any time he went to see about the printing presses?—No, never.

3000. Don't you remember on one occasion at the hotel?—No; in that case I never was with him.

3001. Don't you remember on one occasion in the hotel, when you and he were together, and he said: "I will have to go and see about the presses"?—Perhaps it may be, but I don't remember.

3002. Then you do not know whether Mr. Chapleau ever went to see about the presses himself?—No; I do not.

3003. Now, when you went to the Hoe Company, did you not suggest commission?—No, sir; oh, no.

3004. You did not?—No. They suggested that subscription to the party, and I was very positive in stating to them that they should never pay one cent except to a general committee.

3005. Except to a general committee?—And then they asked me who the committees were. I said: "I don't know, we have two committees in Montreal and there is one in Toronto."

3006. Nothing was said about commissions, except to a general committee, and he asked you who the committees were?—Yes.

3007. And you said you had two in Montreal?—Yes.

3008. Go on?—I mentioned the one with which I was slightly connected, more intimate—our French association.

3009. What association is that?—The Conservative Association, and I gave to him the name of the President.

3010. And you gave to him the name of your French association?—Yes.

3011. What was his name?—Mr. Benoit.

3012. Did you say the same thing to the Potter people?—Yes, sir.

3013. I suppose you are pretty intimate with the workings of the association?—Yes.

3014. Have you any idea, from information you obtained, either from Mr. Benoit or anybody else, the amount of money that was paid by these people?—No, I did not belong to the committee.

3015. Did not Mr. Benoit tell you?—No.

3016. You swear he never told you that?—I swear it. You can find it from Mr. Benoit himself, he never mentioned it to me.

3017. Can you or can you not say, from your own knowledge, or from information received by you, that from \$8,000 to \$15,000 were paid?—No.

3018. You don't know anything about it?—Certainly, I do not know.

3019. You know nothing about it at all?—No, sir.

3020. Did you give to these gentlemen the names of any of the officers of the English Conservative Association?—No.

3021. It was only of the French Conservative Association?—Yes. Because I was not sure of the names.

3022. If you had been sure you would have given them of course?—Yes.

3023. But you were sure of an official French Association?—Yes.

3024. What position did he occupy?—Mr. Benoit?

3025. Yes?—He was the President.

3026. Who was the Secretary?—I don't know.

3027. Eh?—I cannot say, I don't remember.

3028. You had something to do with it yourself?—Not with the association.

3029. Were you Treasurer?—No, sir; I was outside of any committee of the association.

3030. You were not a member at any date?—No.

3031. Were you not a member of the Conservative Association?—Oh, of course, we are all members.

3032. Did you not occupy some official position?—No, sir.

3033. You were as a full private?—Yes.

3034. You were not the man who did the funny work?—No.

3035. Mr. Rolland was Treasurer, was he not?—Yes.

3036. And I believe cheques, or orders for the payment of money had to be signed by Mr. Chapleau?—No, sir.

3037. Rolland then paid out as he liked?—Yes, sir, of course, except as Benoit ordered him.

3038. After you had come back, you say, Sénécal went to New York?—Well, I did not say it, you make me say it. I don't know it.

3039. Did he ever tell you he had been down there and made purchases?—No.

By Mr. Tarte :

3040. When you were there was any bargain made obliging those people to pay money?—Oh, certainly not; oh! no.

By Mr. Fraser :

3041. You mentioned no other names, I understood you to say, except the one?—That is the only name I mentioned. Of course I mentioned the other organizations, but I could not give the names.

3042. Did you mention the organizations of Halifax and St. John?—No, only Toronto and Montreal.

By Mr. Lister :

3043. You mentioned Toronto?—I said there was an organization because they were enquiring themselves.

By Mr. Fraser :

3044. Did you mention a Toronto one?—I said there was a conservative association; they were asking me.

By Mr. Tarte :

3045. Were you ever charged by Mr. Chapleau to ask for commission, or to make a bargain?—No, sir, oh! no.

3046. You say you never were charged to make any bargain whatever? About those commissions?—I never was charged with that message. There was no conversation about that either.

By Mr. Bergeron :

3047. When you went to New York it was not for that at all?—Certainly not.

By Mr. Tarte :

3048. Had you to go to New York?—Two or three times that year.

3049. For your own business?—Business or pleasure.

By Mr. Forbes :

3050. Do you know whether "Yankee Boodle" was used on behalf of the Conservatives in the last elections or not?—Well, I don't know it by positive knowledge.

By Mr. Chapleau :

3051. We have been asking witnesses very often what they have ever heard. Have you ever heard there was commission or "Yankee Boodle" paid to any party?—Yes, many times.

3052. For what party?—For the Liberal party. I was told that some money had been paid to the Liberal Committee, and even we were told one day that part of that Committee money was deposited in La Banque du Peuple.

3053. In Montreal?—In Montreal.

By Mr. Lister :

3054. Who told you that?—I don't know now.

By Mr. Chapleau :

3055. Did you not hear in New York that Americans, friends of Mr. Wiman, were subscribing largely to the Liberal fund?—I did hear it.

3056. And from Americans?—Yes.

By Mr. Lister :

3057. Who did you hear it from? Tell me the man?—Well, I will have to—

3058. That is a stickler, is it not?—I can find the names—I have kept their cards.

3059. What names?—Of those gentlemen who told me at the Hoffman House. I will have to go home and take their names, and communicate them.

By Mr. Taylor :

3060. Was your object in asking that no commission be given to anybody, that they might give the bottom prices?—Oh, yes. I said to them that Mr. Chapleau wanted—the Government wanted—to have the benefit of all commissions that they would have been disposed to give.

3061. So that the Government would get the lowest possible prices?—Yes.

3062. Do you know the Honourable Peter Mitchell?—Yes, sir.

3063. The proprietor of the Montreal *Herald*?—Yes, sir.

3064. Did you know that when the *Herald* office got burned, Mr. Mitchell went to the Hoe concern to purchase a new supply of presses?—I was told so, I do not know it personally.

3065. Do you know that he bought them from the Hoe concern, and that his presses are Hoe presses?—I am not sure enough to affirm it.

3066. Do you know that he went there to purchase a supply and after discussing the question for about half a day and getting them down to "bottom prices," no commission to anybody, and having completed the whole transaction, and after it was all settled and arranged that they said to him: "Mr. Mitchell, what about your own commission?" and he said: "*The Herald* and myself are one party," and they reduced the bill ten per cent.—I know it now. I had forgotten it.

By Mr. Lister :

3067. Who told you that?—Mitchell himself, not long ago.

By Mr. Fraser :

3068. Why, instead of mentioning the name of the Conservative Association, did you not mention the fact that you knew about Mr. Mitchell?—I had forgotten that.

By Mr. Chapleau :

3069. Is it not a fact that Mr. Mitchell bought his presses afterwards?—Yes, some years.

3070. To make the matter clear; of course you have been a long time a printer, and proprietor of one of the largest French papers in Montreal?—Yes.

3071. I think I understood you to say you did not visit the establishment here?—I have visited the establishment once, with Mr. Tassé I think.

3072. Not with Mr. Sénécal?—Mr. Sénécal was there. We found him there.

3073. I need not ask you, with the experience you have had with printing, whether the establishment is in a good state. I might ask Mr. Somerville that. But is it not a fact that, at the time that the printing presses were to be bought, I met you in Montreal—I often see you when I go to Montreal—and that I said I had selected three experienced men: Mr. Desbarats, Mr. White and Mr. Lovell?—Yes.

3074. You are aware that out of the price list given by the manufacturers there are very large commercial commissions or discounts that are taken off?—Yes.

3075. And it is out of that discount that people may get a personal commission?—Yes.

3076. I understand you to state that then I told you: "If you are going to New York I would like to know what are absolutely their 'bottom prices,' because I would not like to see them pay a single dollar commission beyond the commercial discount on the presses?"—Yes, that is what you said.

3077. Are you positive about that?—Yes, I am very positive: it is exactly what you said to me.

3078. Did I tell you then what was the commercial discount, which I had ascertained in taking my information from those connected with the trade, and I did not want anything but the commission to be taken off?—Yes, but I do not remember the figure that was mentioned—the discount.

3079. Mr. Lister has asked you if you are a friend of Mr. Sénécal. You have known him a long time, but not intimately?—No.

3080. You do not live in the same circle?—No; I had no opportunity of meeting him.

3081. Did you not know that Mr. Sénécal had the reputation of being the best printer, in the Province of Quebec at least?—Yes.

3082. Is it not a fact that Mr. Sénécal had been for many years at these concourses of printers?—I know that what was most in favour of his appointment was this: That at that time it was pretty well known that Mr. Sénécal was the only man who saved *L'Etendard* from liquidation by his special ability. He passed *L'Etendard* through the crisis. That was one thing in his favour.

3083. I need not ask you the politics of *L'Etandard* in regard to me. It is a public fact. Was Mr. Senécal a man of our political faith or had he not been always on the other side?—I do not know what he was.

3085. Before he was with *L'Etandard* was he with us?—Yes. I do not know, but I would like to make a statement my name was mentioned the other day in relation to the Rolland business, when he said we had a partnership about books. I brought a copy of the Notarial deed. In case there might be some doubt about the sincerity of the statement, I would like very much to leave it on the table at all events, to show that there is a real agreement and a partnership about the books.

(Notarial deed filed as Exhibit No. 13.)

3086. Was it between you and him or his father?—It is the firm.

3087. Made when?—1st of May, 1875.

3088. It was then the late Mr. Rolland was head of the firm?—Yes. I may add that Mr. Rolland, since I was in politics, always subscribed very heavily and in 1878 or 1879, he went as far as to advance for political purposes \$13,000, on my demand.

3089. You speak of the father?—Yes.

By Mr. Lister :

3090. That would be the election of 1878?—He was then not a manufacturer.

3091. He advanced money to you?—He did not give it. It was not a donation. *La Minerve* was in difficulties then and he advanced \$13,000, without one cent of guarantee, to get *La Minerve* out of difficulty. When we wanted a subscription we used to go to Rolland.

3092. He would always give it?—Yes.

3093. A very handy fellow?—And he had no contract at that time.

3094. He got one afterwards?—Nobody could take it from him.

3095. It was pure patriotism that made him shove up?—Yes, really.

By Mr. Bergeron :

3096. When Mr. Rolland was asked the other day if he did not give money to you, he said, no; what do you say?—No; certainly not.

By Mr. Lister :

3097. Has he given money to you or loaned it to you?—Never to myself personally. Nothing beyond this.

3098. This is an old contract you have?—Yes, he made advances. The contract will explain everything.

3099. He made advances to you for this contract?—Yes.

3100. First I understand you sold to the Rolland Company a half interest in the books which you had the right to publish in the Province of Quebec?—Yes.

3101. The copyright of which you had bought from whom?—Mr. Montpetit.

3102. Of Quebec?—Yes, sir.

3103. Paying him how much?—\$10,000.

3104. Then you got a contract from the Government, did you?—Oh, no, it was not a contract.

3105. Well there is some law that makes it necessary to use these books in the Province of Quebec?—No, it is not necessary. What is necessary, is for those books to be approved.

3106. By the Minister?—By the Council of Public Instruction.

3107. So that you turned half of this copyright over to Mr. Rolland?—After they had been approved.

3108. And Mr. Rolland was to publish them?—Yes.

3109. Do all the work?—Yes.

3110. And give you so much?—Half of the interest.

3111. Half of the profits?—Yes. Of course he had to make all the advances. I think that his first advance was for \$25,000.

3112. He had raised all the money?—All the money.

3113. Do all the work?—Yes.
 3114. He had to give you half of the profits?—Yes.
 3115. And that was for twenty years?—Yes.
 3116. That is what we call in the west "a soft snap"?—No, sir, because if you read a little more, you will see I had to pay him 8 per cent on all his advances.
 3117. That came out of the profits?—Yes.
 3118. It must have been a very good sale by you in the first place?—A very much better purchase for him.
 3119. I suppose the income from that thing paid you for the trouble?—Yes.
 3120. Would it be \$5,000?—Sometimes that and sometimes less.

JAMES JOHNSON, Commissioner of Customs, called, sworn and examined:—

By Mr. Lister:

3121. You are Commissioner of Customs?—Yes.
 3122-3. I brought you here to-day to ask you whether the type imported by Patterson of Toronto, from Scotland or England, had paid duty?—I am not aware if it had paid duty.
 3124. Do you know if it did not pay duty?—No.
 3125. Can you ascertain?—I could ascertain, if I had the proper data.
 3126. Mr. Hartney will give you the invoices?—I would like to know, if possible, at what port the entries were made?
 3127. Toronto, I fancy, but you can prepare a statement and send it to the Committee?—Yes, sir.

J. BROOKS YOUNG called, sworn and examined:—

3128. I believe you live in Montreal?—I live in Boston.
 3129. You are connected with the New England Paper Company?—I am President of the New England Paper Company.
 3130. You do business for the Company in Canada?—Well, the New England Paper Company transacts business, and their mills are in Canada, and their store is in Montreal.
 3131. Have you spent a good deal of your time in Canada?—I have for the last year and a half.
 3132. I believe that, acting for the New England Paper Company, you had some dealing with Mr. Berthiaume, of *La Presse*, Montreal?—We had a contract with Mr. Berthiaume.
 3133. Have you brought that contract with you?—I have not.
 3134. Have you the contract at home?—I have not.
 3135. I believe it is fyled in Court?—It is fyled in Court.
 3136. I will read this paper, and I will ask you to say from recollection whether that is your contract, of which this is a copy, entered into between you and Mr. Berthiaume?—I don't think that is a copy, if you have read it correctly.
 3137. Yes, I think it is a copy (handing it to witness)?—I did not understand your meaning. I thought as you read it Mr. Chapleau was concerned in the contract.
 3138. No, but the notes were endorsed by Mr. Berthiaume and Mr. Chapleau?—That is in substance the contract; I should think that was it.
 3139. According to that contract you appear to have had dealings with Wurtele & Co.?—Yes.
 3140. Were they the owners of *La Presse*?—Yes, at one time.
 3141. And Wurtele & Co. were indebted to the New England Paper Company?—Yes.

3142. And Wurtele & Co., as I understand it, sold out?—They sold out.

3143. To whom did they sell out?—I don't know.

3144. At all events, Mr. Berthiaume became the manager of the paper?

MR. CHAPLEAU—He is the lessee of the paper, you had better call him that.

By Mr. Lister:

3145. You don't know, I suppose, what position he occupies, whether lessee, manager, or what position?—No.

3146. You know nothing about that?—No.

3147. You know him as proprietor?—I know him as proprietor, that is all.

3148. And Wurtele & Co. were indebted to your company when Berthiaume became the lessee of this paper?—Yes.

3149. And I suppose he assumed the indebtedness of Wurtele & Co.?—Yes.

3150. So that indebtedness was transferred from Wurtele & Co. to Berthiaume, according to the terms of this agreement, namely, that Mr. Chapleau and Berthiaume were to join in a promissory note? Were they the joint-makers, or was Mr. Chapleau an endorser?—Mr. Chapleau was an endorser.

3151. Mr. Chapleau was the endorser?—Yes.

3152. You furnished, I suppose, paper to *La Presse* for Mr. Berthiaume?—I did.

3153. How much did Wurtele & Co. owe you at the time Berthiaume became controller of the paper?—About the sum that is mentioned here.

3154. That would be their indebtedness?—Yes.

3155. How long after Berthiaume became controller of the paper was it that you entered into this agreement?—Directly.

3156. It was concurrent with the transfer of the paper?—Yes.

3157. So Wurtele & Co. owed you nearly \$9,000 at the time?—Yes.

3158. And you continued to supply the paper?—Yes.

3159. For how long?—Up to March.

3160. Please tell me when this agreement was made? There is no date to it?—It was somewhere about October 1889.

3161. You then continued to supply *La Presse* with the paper that it required after the 6th of June, until the following March—that would be March, 1890?—Yes.

3162. Had Mr. Chapleau anything to do with the paper of Wurtele & Co.?—Not that I know of. He certainly was not on their paper.

3163. The first appearance of Mr. Chapleau in this matter is when he became the endorser of these notes?—Yes.

3164. How was it this contract contains a provision that half of all the profits on all the paper sold to the Government should be applied to the reduction of these notes? Who made this bargain?—I made it myself.

3165. Who with?—Mr. Berthiaume.

3166. How was it you came to make such a bargain?—It came about in this way? it was simply a business transaction. In the first place, *La Presse* was offered to me, and I should have bought it and made a mistake in not buying it, as it has turned out. But Mr. Berthiaume wanted it and told me he could pay \$2,000 in cash and have his notes endorsed by Mr. Chapleau; and he was very anxious to make such a trade. And he said that the contract was to be continued. We were to supply them with paper the same as we were doing before. In addition to that, Mr. Berthiaume asked: "Do you ever get any orders from the Government for paper?" I said "No." He said "I think I can help you so that you can get some orders for paper." That was an inducement, of course. We wanted all the orders we could get from the Government. When I drew the contract—I thought it over night—"I said to myself; the best way if there is any such chance, is to put it in my contract that I will divide up the profits with Mr. Berthiaume. I am pretty sure to get any orders in that way. He will work for the orders, when he would not otherwise." I wrote that in myself, Mr. Berthiaume did not mention it to me in any way.

I said "I am willing to put it here in black and white, that if we get any orders from the government, we will divide the profits with you and be glad to do it."

3167. The question was asked whether you ever supplied the Government with any paper?—Yes.

3168. You saw through Mr. Berthiaume's influence, the possibility of getting orders from the Government?—Yes.

3169. And if you did get orders you were willing to divide the profit?—Yes, perfectly willing.

3170. It was no consequence what Mr. Berthiaume said, you had made up your mind to put this clause in the contract?—Yes.

3171. Were you notified to produce all the letters in your possession?—No; I was simply notified to come here.

3172. I ask you now to produce a letter from Mr. Chapleau to you?—I have no such letter.

3173. I ask you whether you received a letter from Mr. Chapleau?—I do not remember receiving a letter from Mr. Chapleau.

3174. Will you swear you did not receive a letter from Mr. Chapleau?—Most certainly not.

3175. You won't swear?—Certainly not.

3176. Do you remember being a witness in the case, between the Paper Company and Mr. Berthiaume —

Mr. CHAPLEAU objected.

By Mr. Chapleau :

3177. Did I write to you a letter asking you to execute that contract?—If you did write me any such letter, I do not remember it.

By Mr. Lister :

3178. You were a witness in the case of the New England Paper Company against Berthiaume and the Printing and Publishing Company?—I was.

3179. Did that suit arise out of this contract?—It did.

3180. Do you remember who the counsel in that case were?—I remember who they were on our side.

3181. Who were they?—Chapleau, Hall & Brown.

3182. Who were they on the other side?—I do not remember.

3183. Was it Mr. Ouimet's firm?—I think it was.

3184. Do you remember who the judge was?—No.

3185. Do you remember a question coming about in this contract in which Mr. Chapleau's name was mentioned?—No, I do not.

3186. Do you remember offering to produce the letter?—I do not.

3187. Do you remember anything taking place in that trial respecting that letter, and that the judge ruled it out?—I do not.

3188. I ask you whether you did not get a letter from Mr. Chapleau in some sense confirming the arrangement that you had made with Mr. Berthiaume in this contract?—I do not remember.

3189. Will you swear you did not get such a letter?—I will swear that I do not remember.

3190. Did you not state within four weeks that you had such a letter?—I do not remember.

3191. Will you swear you did not?—I will swear, I do not remember telling.

3192. Is it likely that an important letter like that will be forgotten by you?—Very likely.

3193. Will you swear you have not destroyed such a letter?—If I did receive such a letter, certainly I never destroyed it.

3194. Have you looked for such a letter?—No. Such a letter as what.

3195. A letter from Mr. Chapleau approving of this contract in some way?—I do not remember of seeing of such a letter.

3196. Did you not say to Mr. Berthiaume that you wanted something from the Minister to show that in some way this contract would be carried out?—I may and I may not.

3197. Did you not? You are on your solemn oath to tell the whole story, and I ask you now to say it positively whether, you did not say to Mr. Berthiaume that there was nothing binding in it and that you would have to have something from the Secretary of State or the Dominion Government?—I do not remember any such conversation.

3198. Have you talked with Mr. Chapleau, Mr. Dansereau, or anybody else in their interest about this case, within the last few days?—I have not.

3199. You have never seen Mr. Chapleau?—Oh, yes.

3200. Have you spoken to him about this case?—Never.

3201. Have you spoke to Mr. Dansereau?—Never.

3202. Or anybody else?—I may or may not.

3203. Did you or did you not?—I don't know.

3204. You don't know?—I do not.

3205. I ask you again in plain words whether, within the last three weeks or within the last five weeks, you have not stated that you had a letter sent by Mr. Chapleau, a private letter to you, whereby Mr. Chapleau confirmed the terms of this agreement?—Stated to whom?

3206. I am not asking who, but I ask you whether within the last five weeks you have told that fact to anybody?—I don't think I did.

3207. Will you swear you have not?—I do not swear to what I don't know, you seem to be trying to get me to swear to what I don't remember.

3208. But I want you to brush up your memory?—Well it is pretty hard to brush it.

3209. If there was such a letter would it be in your possession or has it been destroyed?—It would not be destroyed; we keep our correspondence on file.

3210. You keep all your correspondence?—Usually.

3211. Then that letter would be amongst your correspondence?—Certainly, if there were such a letter.

3212. I ask you now again to say, whether or not you ever received such a letter from Mr. Chapleau?—I don't remember.

3213. You don't remember then whether you ever wrote such a letter to Mr. Chapleau or not?—I do not.

3214. You don't remember whether Mr. Chapleau ever wrote such a letter to you or not?—I don't recollect such a letter.

3215. I ask you again a question whether, within the past five weeks you have stated to anybody that you had received a letter—a private letter—from Mr. Chapleau approving the arrangement made between you and Mr. Berthiaume?—I don't remember.

3216. Was there anything said between you and Mr. Berthiaume about what security you could have, what probability there was of your being able to get orders from the Government?—Only in a general way, not in a particular kind of a way.

3217. Only in a general way?—In the conversation that we had he gave me the impression that he had influence enough at Ottawa to get orders for paper from the Government. That was all.

3218. Were you willing to accept that without anything further?—Well, I did accept it.

3219. But did you not say anything about getting a letter from Mr. Chapleau?—I don't think so: I don't remember that I ever said such a thing.

3220. And you cannot remember whether you ever got a letter from Mr. Chapleau?—Now, you are bringing it to me so many times it seems as if I did get a letter from Mr. Chapleau.

3221. Now, you see the advantage of repeating the question?—It seems as if I did get a letter, a letter which had nothing to do with the contract as I remember it. You have the letter there, have you not, let me read it.

3222. Oh, no?—Then I will say nothing about it.

3223. Then it seems to you that you did get a letter from Mr. Chapleau?—Yes.

3224. This was in 1889, and now it is only 1891, and you see your contract was all broken up in March, 1890. The whole thing would come back to your mind then?—Yes.

3225. That is a little more than a year ago?—How many letters do you suppose I receive?

3226. But you do not often receive letters from Secretaries of State?—They are not new to me.

3227. You understood from Mr. Berthiaume that he had influence enough from the Government to get orders for you for paper?—He gave me to understand that.

3228. After understanding that, did you get an order?—Yes; but allow me to say right here, that whether he had said that or not, it would not have made that much difference (snapping his fingers). I was perfectly delighted to carry out this contract without any orders from the Government.

3229. Had you any security for the paper you were furnishing *La Presse*?—I had Mr. Chapleau's endorsement.

3230. That was on the old debt?—I had Mr. Wurtele.

3231. You continued working on with Mr. Berthiaume after he became the lessee?—Yes. Mr. Wurtele owed us as high as \$13,000, and it was pretty weak, and when Mr. Berthiaume said: "I can get Mr. Chapleau to endorse these notes—."

3232. You jumped?—No; I did not jump, but I wrote the contract as fast as I could. I ought to have purchased the paper.

3233. You would then have got all the paper orders you would have wanted?—I do not know.

By Mr. Bergeron :

3234. Do you not know that *La Presse* is one of the best paying papers in Montreal?—I do not know.

By Mr. Lister :

3235. What security had you for the paper you sold to Berthiaume after Berthiaume got control of the paper?—I had Mr. Chapleau's endorsement.

3236. But for the paper they got from day to day?—They paid for it every Saturday, or every month.

3237. Was it every Saturday or every month?—We had no fault to find with the payments.

3238. Did they make many payments on account of this \$9,000 or \$10,000?—They kept to their contract as far as that was concerned.

3239. There was only one renewal. The notes were given in December and the contract was over in March. Do you know the inside working of how that was lost?—Yes.

3240. You know Mr. MacFarlane and Mr. Richard White?—Yes.

3241. They went to Mr. Chapleau and took him by the throat?—No; I do not know that; but I know that for a President of the Paper Makers' Association, supposed to be an association for the benefit of all the manufacturers, and working harmoniously, it was one of the queerest things for such a President to go and take our contract away from us.

3242. Who was the President?—Mr. MacFarlane was the Vice-President of the Paper Makers' Association, for the purpose of working in harmony and yet he turns around, I do not know how, and he plants the money down on our desk and takes this contract from us by furnishing *La Presse* with paper.

3243. Without the Government promise too?—I do not know anything about that.

3244. Within six months, your contract entered into was broken, their indebtedness was paid to you, and you sued to recover damages for breach of this contract; and that was the suit you brought against Berthiaume and the Printing and Publishing Co., of Montreal?—Yes.

3245. You furnished one order of paper to the Government?—We did. We sold the Government two lots of paper.

3246. You had never sold any paper previous to this contract?—We had.

3247. How long before?—I find it on my books in June 30th, 1886.

3248. Then you did not sell them any more until 1889?—Not until 1889.

By Mr. Chapleau :

3249. To what Department did you sell the paper?—To the Department of Agriculture. In looking up that sale, that was what led me particularly to put that in the contract, as I saw it was a pretty nice thing to sell the Government paper.

By Mr. Lister :

3250. You saw there was lots of money in it?—Yes, and I will prove it in this way; we sold them 370 reams paper at 10 cents, and they gave us their cheque for \$2,664 more or less. That paper only cost us \$1,982, and we made \$682, or nearly 35 per cent profit. I thought to myself if there was any such profit in selling to the Government, I would be delighted to give them half or take two-thirds of the profits. That was the first sale I ever made.

3251. When was this contract made?—It was in October, 1889.

3252. The end of the month?—I should think about the first of the month.

3253. In November you appear to have made the sale?—Yes.

3254. Did you see Mr. Berthiaume about the matter between that day and the time you made the sale?—I do not remember. I would not know about that anyway.

3255. Did you ever speak to him after making this contract about your getting an order from the Government?—Yes, I think so. He knew about it. I think I mentioned it to him to see if I could get an order from the Government. He was to get half the profit. I think I mentioned it to him when I received an order from the Government.

3256. What did he say?—I do not remember what he said, but when the bill was paid we offered to give him half the profit and he would not take it.

3257. Why?—He said it was too small; it did not amount to anything.

3258. Then you never gave it to him?—No.

By Mr. Bergeron :

3259. What was your profit then?—\$137.

3260. Upon a sale of what?—The whole bill was \$1,091, and the Government give us \$1,074 and our profit was \$137.

By Mr. Lister :

3261. You offered him half?—I offered him half.

3262. And he said it was too small?—He said it was too small.

3263. And told you to keep it?—That I had better keep it.

3264. Then it would be about four months after that, that the contract was broken off?—Yes about that.

3265. Now Mr. Young I am going to ask you to make a thorough search amongst your papers to find the original letter, which I know you have. I am going to ask you to come here after making that search and to swear whether you can find it or not?—I would like to make a request to the committee. I am an American citizen, and I know well what you are driving at—perfectly well.

3266. I know you do?—Yes—an American citizen. I am busy and my book keeper that I sent up here, that you ordered here to be examined—

3267. She did not know anything?—Well she is down with typhoid fever. I don't know what you did to her, but she is sick with typhoid fever ever since. Now there is nothing whatever in what you are trying to prove. Mr. Chapleau never mentioned to me in any way, shape or manner, anything in regard to selling him paper, or whether we should have the contract, or anything, excepting that he would endorse these notes for us. Now, that is what you want to prove. You can-

not prove it by me. I am too busy to come up here again. I don't want to come up again, and I want to be excused.

3268. How is it you could not remember anything about that letter?—I don't know.

3269. I can prove that Mr. Young has stated he held a private letter in which Mr. Chapleau confirmed the terms of this agreement?—You cannot prove any such thing.

3270. Cannot I?—No, you cannot.

By Mr. Sproule :

3271. Were the profits you made in the last contract with the Government, the same as the profits you made on the first?—Not at all.

3272. What profits had you in the last contract?—Some where about 10 per cent against about 35 on the other one. There was no profit in it you know.

3273. Is that any higher profit than you make out of your ordinary customers?—It is nothing.

By Mr. Chapleau :

3274. If you had received a letter from me, because you have made a declaration now which is very plain, stating that I was in favour of your getting Government contracts would you remember it?—Of course I would. I know I never received any such letter.

By Mr. Lister :

3275. You did not know it a few minutes ago?—Well, I know it now. I am not coming here again you know.

3276. If you don't come here, we shall issue a warrant for your arrest?—You cannot do it, I am an American citizen.

3277. I don't care whether you are an American citizen, or whether you are a Canadian subject. If you are in Canada you are subject to the laws.—I am not in Canada, and I am not living in Canada to-day.

Mr. LISTER.—I ask that the witness be not discharged.

The WITNESS.—I want the Committee to understand distinctly you know. I don't want to come back before this committee. I live in the States so if I leave here to-morrow I shall not come back here again unless I am obliged to.

Mr. LISTER.—We cannot bring you back from the States, but as long as you are in Canada you must come?

The WITNESS.—A man does what he is obliged to, but not what he is not obliged to do, sometimes. I want this Committee to understand distinctly I came here perfectly free and perfectly willing to say anything that was straight and right, but when you are trying, as I know you are, to make it out that Mr. Chapleau entered into an agreement with me with regard to this paper it is not true, it is all with Berthiaume. You cannot prove it is true and what is the use of making me come here and wasting my time and my money. Why should I come here and undertake to defend Mr. Chapleau. Mr. Chapleau is an enemy of mine to-day and Mr. Berthiaume too, for breaking that contract. I furnished *La Presse* with money when they did not have it, and they turned around and threw my contract up, and I lost my contract. Do you suppose if I had such a letter and could produce it, I would not? I would be on your side from the word, go. They have not kept faith with me. Mr. Chapleau has kept faith, because he only agreed to endorse the note. I feel aggrieved. It was a big thing for me; but I object to coming back, because I know there was no such thing. What is the use of bringing me up here and spending my money.

By Mr. Foster :

3278. Have you said that there is no such letter from Mr. Chapleau to you approving of that part of the contract, private or public, which has regard to the sharing

of the profits and the getting of Government contracts?—I state positively, that Mr. Chapleau never wrote me such a letter, and I never received a letter from Mr. Chapleau, and Mr. Chapleau never mentioned to me, in any shape or form, anything about contracts. Mr. Chapleau simply guaranteed these notes and endorsed them.

By Mr. Charlton :

3279. Did Mr. Chapleau write you to that effect?—I cannot remember, but it seems to me that he wrote to me a note saying “I will endorse the note.”

3280. You may be under a misapprehension about these notes?—No, I may not be. It is not reasonable. If I had such a letter I would have produced it when the contract was broken.

By Mr. Bergeron :

3281. Do you remember what time your company sued Berthiaume and *La Presse*?—Yes.

3282. About what time?—Somewhere in March.

3283. I suppose you must have given your lawyers every possible information in that case?—I gave all the papers I had.

3284. If you had had such a letter, would you not have given it to your lawyers to prove?—Yes, certainly.

3285. Would you not have produced it?—Certainly, there is no such letter.

The Committee then adjourned.

COMMITTEE ROOM, 15th September, 1891.

Committee met—Mr. WALLACE in the Chair.

PETER ALFRED CROSSBY called, sworn and examined :—

By Mr. Lister :

3286. You are the vice-president, I believe, of the Dominion Type Foundry of Montreal?—No, sir; I am the manager.

3287. How long have you been connected with the company in that position?—Since 1878, I have been the manager.

3288. You furnished to the Dominion Government, for the Printing Bureau, a quantity of type, I believe?—We did.

3289. With whom was the contract made?—In the first place with Mr. Senécal.

3290. Where did you first see Mr. Senécal about it?—In my office in Montreal.

3291. When was that, and what took place at the time?—It was in July, 1888. If you will permit me, I have written out a statement and I will read it. It just contains the whole of the details in connection of the matter from the first to the last.

3292. We will leave your statement for the present. I think we will get on better if you simply answer my question. Now, tell the Committee, if you please, what took place on the first occasion you met Mr. Senécal?—I met Mr. Senécal in July, and he told me that he had received the appointment about the 28th, I think; he called into the office and asked me for a copy of the type price list, and particulars of the type that we supplied to the Government Bureau. I gave him what he wanted and he made out his order for the type for the Bureau.

3293. Then, do I understand you to say that the order for the type was given on the first occasion he visited your place?—No; not exactly on the first occasion. On the first occasion I think he told me about his getting the appointment and that he was just leaving *L'Etendard* office.

3294. Did you know that he was the manager?—I had spoken to him on several occasions.

3295. Had you spoken to him about any possible transactions between your company and the Bureau?—Certainly. I told him when he was going to be appointed not to forget the type foundry. I was well acquainted with him, and had many conversations with him.

3296. You were anxious that he should not forget the type foundry?—Yes.

3297. Did he show you his appointment?—No; he did not on that occasion, when he first spoke to me about it.

3298. His appointment had then been made, but he did not show you the appointment?—Not then.

3299. Did you take any steps to satisfy yourself that Mr. Senécal had a right to enter into a contract for the Government?—I did not.

3300. Did he show you his authority for doing so?—Mr. Senécal showed me his appointment afterwards, when he came and made out the order.

3301. There can be no reasonable doubt when he came to make out the order that he showed his appointment?—No.

3302. You went to work and made out the order?—Yes.

3303. Is it a written order?—It is. I have it here:

"DOMINION TYPE FOUNDING Co.,
"MONTREAL, 29th July, 1887.

"ANDRÉ SENÉCAL, Esq.,

"Supt. Government Printing Bureau, Ottawa.

"DEAR SIR,—I have to thank you for your order for type for the new Government Printing Bureau handed us this day, and will fill the same on the terms agreed between us, namely:—

Nonpareil.....	58 cts. per lb.
Minion.....	48 do
Brevier.....	44 do
Bourgeois.....	40 do
Long primer.....	36 do
Small pica.....	34 do
Pica and larger.....	32 do
Less 10 per cent.	

"I have arranged that the type shall be cast from special metal, and shall be of superior quality. I have ordered new machinery, new matrices and new skilled labour, in order to have your order ready by August, 1888.

"Again thanking you, I remain,

"Yours truly.

(Sgd.) "P. A. CROSSBY,

"Manager."

3304. The order was to be completely filled in August, 1888?—Yes.

3305. Was there any difficulty took place between you and Mr. Senécal as to your delivery of the type or any portion of it?—Not then.

3306. Subsequently?—Yes.

3307. How long after that was it before you had a portion of the type made?—In the fall.

3308. You had a portion of it made, I believe, in the fall?—Yes.

3309. You went to work and made it at once?—Yes; as much as possible.

3310. But not the full order?—We could not make it at once.

3311. I suppose it would take you some months to make it?—Yes; we were to make it and deliver it in the following August.

3312. Had you any portion of it ready for delivery in the following December?—We had.

3313. How much?—About 15,000 pounds.

3314. And at what time was he ready for delivery?—About the 1st January.

3315. Did you apply to the Government or to Mr. Senécal to be allowed to deliver what you had ready?—No; we did not apply to the Government then; we applied to the Government in another way.

3316. In what other way?—I would just read from my statement here: Early in December the late lamented president of the company, Mr. Alexander Murray, observing a large number of boxes of type being packed in the storeroom for the Government, asked me to get him a copy of the Act relating to the Printing Bureau, as he had some misgivings about Senécal's right to order. We were then working day and night, and paying out considerable sums of money for wages and metal. Other orders were also being neglected that we might finish this one within the time named. I got Mr. Murray a copy of the Act, and on reading it he said it was as he had feared: the order was valueless, because it had not been approved by the Minister or his Deputy, and he underlined the words in clause 4 of section 5, which reads: "Upon a requisition duly approved by the Minister, or as he directs." He was angry, and took the order away, and I either wrote or telegraphed to Senécal about the matter, for I was very much upset. His answer was:—

"OTTAWA, 19th December, 1887.

"(Confidential).

"MY DEAR PETER,—I was to go to Montreal Saturday, but I was not well enough to leave that day. My sickness is lumbago, that I am bothered with for the

last eight days. I expect to leave Tuesday afternoon. I will telegraph you on that day, if I will leave, for I want you to be at the depot on my arrival. The thing is passed in Council, but not a single word to nobody. Be on your guard.

“Yours truly,
A. SENÉCAL.

“P. A. CROSSBY, Esq., Montreal.

“Not a word, even in the office.”

3317. Now, that letter was a reply to some letter that had been written from your office, I suppose?—I will just explain it. I telegraphed to him to come down. When Mr. Murray said he had no right to order he was angry, and I either wrote or telegraphed to Senécal. I was very much upset.

3318. Have you the telegram or letter you sent to Senécal?—I have not. I don't keep these things.

3319. Have you no letter book in the office?—Yes; but that is not in the office.

3320. Have you searched for that letter?—Yes, certainly; I remember the circumstance so well—there was no letter.

3321. You are satisfied there is no copy of a letter kept, but perhaps you can give the Committee an idea of your letter to Mr. Senécal?—I think I telegraphed him that there was some doubt about his order, and told him to come down and see me immediately. I don't exactly remember the words, for I know I was very much upset at the time.

3322. That letter was written in December?—12th December.

3323. Months before that letter was written, had you or any person from the company come to Ottawa for the purpose of arranging as to the prices?—No, sir.

3324. Did anybody?—No; I did not come to Ottawa about the prices being arranged.

3325. Did you come to Ottawa at all and have any conversation with any person respecting the order that had been given by Mr. Senécal?—No.

3326. Did any of your officials?—No.

3327. How do you know?—Because I know they did not come to Ottawa; there is only one official might have done it, and that is the president. I don't know whether he did it, but the president can only transact business of this kind.

3328. You did not know what the president did?—I do not.

3329. What action did you take on it?—As far as I can remember, I handed it to the president.

3330. Do you remember what you did with it, or what action you took?—That is the only action I could have taken—to hand it to him.

3331. Do you remember what the talk was?—That is all I remember.

3332. Then you don't remember what you did?—I don't remember what I did then.

3333. Do you remember any conversation between you and the president?—This was afterwards.

3334. After the receipt of that letter?—Yes; on the 28th December; Mr. Murray only just passed through the office. He is president, and has other business to occupy him. Mr. Murray returned me the order for type duly approved by the Secretary of State and charged me to fill no orders from the Bureau to any extent unless approved of by the Minister or his Deputy. This is the original order we had.

3335. I will read it:—

“DOMINION TYPE FOUNDING COMPANY.

“Please have the following quantities of type cast for the Government Printing Bureau, to be delivered at Ottawa by August, next year (1888), and sooner if possible:—

	Lbs.
Nonpareil No. 3.....	5,000
Minion No. 3.....	15,000
Long Primer No. 7.....	10,000

	Lbs.
Small Pica No. 4	20,000
Bourgeois No. 8.....	3,000

" J. A. CHAPLEAU.

Secretary of State.

"OTTAWA, 23rd December, 1887."

3336. This is the same order and for the same quantity as Senécal gave you?—
It is a copy of the order.

3337. You got this four days after the letter of 19th December which you received from Senécal?—I told you that is the time that I got this order from Mr. Murray. I got this letter on the 19th, and on the 28th Mr. Murray gave me the order.

3338. The order is dated 23rd December?—Well, he gave it to me on the 28th.

3339. The order assumes to be dated 23rd. It is after the letter written by Mr. Senécal and appears to be the same order given originally by Senécal?—It is a copy of the order I gave to Mr. Murray.

3340. Did Mr. Murray go to Ottawa?—No, sir.

3341. Where did he get Mr. Chapleau to sign this order?—I don't know.

3342. You do not know?—I do not know. I told you he brought back the order. He was only in the habit of calling at the office once a day. He took the order given on the 23rd and you will see he brought it back.

3343. This dated 23rd December?—He gave it to me on the 28th.

3344. On the 23rd the order was given?—Yes.

3345. Did he make no statement as to how he came with that order?—No, sir; and he was not the man to tell either.

3346. He gave no explanation whatever?—That was the only thing he said:—"Here is an order approved by the Secretary of State," and he charged me to fill no orders from the Bureau to any extent unless approved by the Minister of his Deputy.

3347. You were going on to say just now something about the 28th?—Yes. When Mr. Murray handed me the order I suggested to him we should ask for permission to ship to Ottawa what type we had ready, and get money on account. He approved of my suggestion, and wrote to the Honourable J. A. Chapleau, to this effect:—

"DOMINION TYPE FOUNDING COMPANY,
" MONTREAL, 28th December, 1887.

"HON. J. A. CHAPLEAU,
" &c, &c., Ottawa.

"DEAR SIR,—I beg to acknowledge having received your order for type dated 23rd instant, and have to thank you on behalf of this company for the same.

"I am advised by the Manager that we have now boxed and ready the following quantities, viz.:—

2,222 lbs. Nonpareil @ 58c.....	\$1,288 76
5,638 " Minion @ 48c.....	2,706 24
2,217 " Bourgeois @ 44c.....	886 80
4,644 " Long Primer @ 36c.....	1,671 84
	<hr/>
	\$6,553 64
10 per cent.	655 36
	<hr/>
	\$5,898 28

and I have to ask if it would suit the Department to take delivery of this quantity

and make us a payment, say of \$5,000, on account. If this can be arranged without inconvenience it would be an accommodation to the company.

"I have the honour to be, dear Sir,

"Your obedient servant,

(Sgd.) "A. MURRAY,
"President."

To this the Queen's Printer replied as follows:—

"DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,

"OFFICE OF THE QUEEN'S PRINTER AND

"CONTROLLER OF STATIONERY,

"OTTAWA, 5th January, 1888.

"SIR,—I am directed by the Honourable the Secretary of State to request that the type mentioned in your letter of the 28th ultimo, as manufactured for the Printing Bureau, viz. :—

2,222 lbs	Nonpareil
5,638 "	Minion
2,217 "	Bourgeois
4,644 "	Long Primer

be shipped to me, and on receipt of invoice and shipping bill I shall have pleasure in paying you five thousand dollars on account thereof.

"I have the honour to be, Sir,

"Your obedient servant,

"B. CHAMBERLIN,

"Queen's Printer and Controller of Stationery.

"The President of

"The Dominion Type Foundry Co.,

"Montreal, Que."

3348. Then on receipt of that letter I suppose you shipped the type?—We did, and we got \$5,000.

3349. And Mr. Murray never in any way intimated to you how it was that he came to get Mr. Chapleau to sign that order?—No, sir.

3350. Nor any person else?—No, sir.

3351. Nobody ever told you how it was done?—No, sir. Mr. Murray was then President of the Richelieu Company.

3352. About that time how much had your company subscribed to the election funds?—Nothing.

3353. About what time, do you say it was that the Dominion type foundry made a cheque for \$1,500 payable to Mr. Benoit and gave it to him?—On the 12th January, 1888. Mr. Murray, permit me to mention, was a pronounced Liberal in politics. He was president of the Canada Shipping Company, president of the Richelieu Company and a director of the Bank of Montreal. He was also president of, and held three-fourths of the capital in, my company. He instructed the book-keeper to make out a cheque payable to François Benoit for \$1,500. After it was made out it was signed by R. S. Starke, vice-president, and myself. Either on that day or the next I personally gave it to Mr. Murray at this office at the Richelieu Company's offices, where he was in company with the late Captain Labelle. He put the cheque in his pocket, but what he did with it, neither myself nor any person connected with the company can tell.

3354. It was given to Mr. Murray himself at the office of the Richelieu Company?—I gave it to him myself.

3355. Mr. Murray never told you what it was wanted for?—No, sir.

3356. And it was made payable to François Benoit?—That is all we know.

3357. Who was he?—I do not know. I believe he is president of some association or other, but I do not know the man at all.

3358. You did not know he was connected with the Conservative Association ?—I heard so ; I never saw the man.

3359. He was not the president of the Reform Association ?—He might have been. The cheque was made out in his name simply.

3360. Well, you know he was not President of the Reform Association ?—I did not know the gentleman at all. If he were in the room I would not know him to see him.

3361. Was anything said to you while the cheque for \$1,500 was drawn ?—No.

3362. Was there no conversation at all ?—No.

3363. Do you usually sign cheques without asking what they are for ?—For the president, I do, It is none of my business to ask. If he asked me to sign for all the funds of the company in the bank I would have to do it.

3364. Why should he ask you to sign the cheques then ?—I countersign all cheques as manager.

3365. You sign all the cheques that the president asks you to sign ?—Yes.

3366. Without asking what they are required for ?—Yes.

3367. That cheque was dated the 12th January, 1888 ?—Yes.

3368. Do you know whether anything had taken place between the officials of the company—any talk I mean—as to this \$1,500 contribution ?—No, sir. I may tell you not even a director knows that we contributed that amount. Even the vice-President, who signed the cheque, did not know about it.

3369. What was it charged up to ?—To discount account. That is proper—anything like that.

3370. Is it charged to discount in your books ?—It is.

3371. That is where it is charged up ?—Yes.

3372. Are there many other charges of that kind as discounts about that date or otherwise ?—I could not tell you. I have not got the books here.

3373. You have not looked for them ?—I looked for this particular item. I would not come here to tell you what I did not know anything about—not like our book-keeper the other day.

3374. You got a package of letters from the book-keeper ?—I did not. I have all the letters here. They were in the safe, and I got them there when I came back from British Columbia.

3375. Were certain letters from Senécal kept separate in the safe ?—I may explain that all the letters and documents bearing on this matter which I have are here. About a year ago, when I had a row with Senécal, I went down to Montreal and collected the letters together. I got them and put them in the safe, and when I got back from British Columbia I found them there.

3376. When did you get them ?—On Friday, when I got back.

3377. What letters are they ?—You had some of them.

3378. Give me the rest of them and the telegrams ?—I have no telegrams.

3379. Give me all the letters and telegrams you have got in that package of papers ?—They are there.

3380. Let me have them. Are these all ?—They are all, except some others I will show you afterwards.

3381. I want to see them all. You are sworn here to tell the truth ?—So I will.

3382. You are asked to produce all the letters, telegrams and papers in your possession connected with this matter ?—I beg your pardon ; my subpoena does not say so. I have letters here which it is not necessary for me to show until I have got permission.

The CHAIRMAN—The subpoena does not ask the witness to produce papers.

WITNESS—I am not asked to produce any papers. What I produce I do so voluntarily. You can have them all, all the same.

3383. On the 20th of January you appear to have received a letter dated Ottawa, 20th January, 1888. Will you read that ?

" DEPARTMENT OF PUBLIC PRINTING,
" OTTAWA, 20th January, 1888.

" SIR,—The Department of Public Printing will require 122,231 lbs. of minion during the course of the present year. I desire to know whether your establishment can supply us with that quantity of type at a rate of not less than 15,000 per month, and at what price?

If you are able to do it, the order already given to your firm for minion would be merged into the new one. The Superintendent will call at your establishment to be acquainted with your answer.

" I have the honor to be
" Your obedient servant,
(Sgd.) " J. A. CHAPLEAU.

" P. A. CROSSBY, Esq.,
" Montreal."

3384. Now the next letter?—You are breaking up the connection with the story in this way.

3385. Well, never mind; read the letter?

" DEPARTMENT OF PUBLIC PRINTING,
" OTTAWA, 9th April, 1890.

" DEAR SIR,—I saw Mr. Crossby this morning, who handed me enclosed cheque, which I return you for signature. I thank you very much for the accommodation which you are kind enough to give me. Please return to me by next mail, for I need the money for Friday.

(Sgd.) " A. SENÉCAL.

" R. G. STARKE, Esq.,
" Montreal."

3386. Now, the next letter?—That is about all.

3387. Now, then, I ask you to produce all other letters from the Department or from Senécal on any matter relating to the Printing Bureau?—I have two letters here, but I would ask Mr. Chapleau's permission about producing them?

Mr. CHAPLEAU—Show them to Mr. Lister, and he will say whether they ought to go in or not? (Letters handed to Mr. Lister).

Mr. LISTER—These letters do not appear to have any relevancy to the inquiry. To witness: I want other letters and telegrams?—I have not got telegrams. I did not keep them, except one. Here is the order for the minion:

" DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,
" OFFICE OF THE SUPERINTENDENT OF PRINTING,
" OTTAWA, 6th February, 1888.

" To the Dominion Type Foundry,
" Montreal.

" Please fill the following order for the Government Printing Bureau:—40,000 lbs. of minion No. 3, at 44 cents per pound, to be delivered in Ottawa by invoice of 5,000 lbs. every month until full order completed; the first delivery to be made on the 10th day of March next; caps, figures, lower case, leaders, spaces, and quads, only required. In order to guard against superfluous sorts, I enclose you samples of the work for which the type is to be used. I would most particularly call your attention to this matter, as it will save time and expense in returning unnecessary sorts.

" A. SENÉCAL,
" Superintendent of Printing.

" Approved,
" J. A. CHAPLEAU, *Secretary of State,*
" 6th February, 1888."

Here is another letter :

“ DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,
“ OFFICE OF THE SUPERINTENDENT OF PRINTING,
“ OTTAWA, 8th February, 1888.

“ DEAR SIR,—In the order that I sent you yesterday I forgot the French accents. Please put them all for half the quantity of minion ordered, that is for 20,000 pounds. Will be in Montreal by the end of the week.

“ Yours truly,

“ A. SENÉCAL.

“ P. A. CROSSBY, Esq.,
“ Montreal.”

Here are some others:—

“ DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,
“ OFFICE OF THE SUPERINTENDENT OF PRINTING
“ OTTAWA, 20th February, 1888.

“ (*Private.*)

“ DEAR SIR,—I am writing to Crosby by same mail about the lines I want to be stereotyped for voters' lists. I wish you would send me the exact figure that you can supply them. This is private. The prices he sent me last week are rather too high. Don't let him know that I wrote you.

“ Yours truly.

“ A. SENÉCAL,
“ *Sup't P. Bureau,*
“ Corner McKenzie Ave. and St. Patrick St.”

“ R. G. STARKE, Esq.,
“ Montreal.”

“ DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,
“ OFFICE OF THE SUPERINTENDENT OF PRINTING,
“ OTTAWA, 19th May, 1890.

“ DEAR SIR,—Yours of the 16th inst. at hand and contents well noted. In reply I beg to say that it is true that I gave some sorts in minion to cast to the Toronto type foundry—on Miller & Richard's body. Mr. Chapleau's orders were to distribute the patronage as equally as possible between the three type founders in the Dominion. By referring to your books you will see that you had more than your share of the patronage.

“ Yours truly,

“ A. SENÉCAL.

“ R. G. STARKE, Esq.,
“ Montreal.”

Then here is a telegram:—

“ OTTAWA, 1st February, 1888.

“ ALEX. MURRAY, Esq.,

“ Pres'dt Dominion Type Foundry Co.

“ Arrangements about supply of type require Mr. Crosby's presence here tomorrow. Ten thousand pounds a month not sufficient. Answer immediately.

“ J. A. CHAPLEAU.”

3388. Is that the only telegram you received?—I received more, but that is the only one I kept.

3389. What are those you have there?—These are some I received in British Columbia.

3390. Having nothing to do with this case?—No; except to order me home.

3391. You have produced all the letters and telegrams?—Yes, in our possession.

3392. Have you any recollection of any telegrams or letters that you have not produced or are not now in your possession?—Nothing in particular, except this fellow wanting money sometimes. Those were addressed to me personally, and I kept them for a time and then tore them up. I do not think there were any telegrams; they were letters.

3393. You swear there were no telegrams?—I hunted the office over for papers before I came away. There is nothing for us to keep back.

3394. Have you got a letter from Murray, the vice-president of the company?—He was not the vice-president; he was the president.

3395. Have you destroyed any letters or telegrams?—I told you that I destroyed a lot after a time. We gave the orders to the men and then destroyed them.

3396. They did not bear on this?—Some of them did not. He might say at the bottom of an order: "Why don't you send me something?". I would tear that off.

3397. Did you have a letter from Murray the vice-president of the company, stating that the Tories were getting too exacting?—No.

3398. You never got such a letter?—I will read you from my statement some words that Mr. Murray did say; for he subscribed to the other party pretty well:

"In February, March and April I made further shipments of type to Ottawa. Mr. Senécal began to kick; refused to accept delivery, saying he had no room; but I honoured him with a cheque for \$200 and a place was very easily found. This was the only cheque signed by the late Mr. Murray, and he was very much annoyed at doing so. He said to me: 'Crossby, you Tories are a damned bad lot. Here I find one Senécal (the late Senator) fitting up Elmwood at the expense of the unfortunate Richelieu Company, and now his namesake, that scallawag printer fellow at Ottawa, is trying to feather his nest at your expense. We must stop it'".

3399. That was the conversation?—There was no bones about him when he spoke. That is why I did not know what he did with the \$1,500.

3400. You were the gentleman who was brought most in contact with Senécal during these dealings?—Yes.

3401. Do you remember how much you paid him during the time this work was going on, in the shape of gratuities or loans?—I paid him \$1,200, and I got the cheques for it. I kept all these, because they might come against myself some day.

3402. In 1887 there were two notes given, six months after date?—The memorandum of payments is as follows:—

July 15, 1887.....	\$125 00
September 1, 1887.....	200 00
April 19, 1888.....	200 00
August 23, 1888.....	250 00
July 10, 1889.....	125 00
September 20, 1889.....	100 00
April 8, 1890.....	200 00
	\$1,200 00

3403. On the 8th April, \$200?—Yes.

3404. That amount was payable to him?—Yes.

3405. How was it chargeable?—Everything was chargeable to my account.

3406. So that the total payments to him were \$1,200—that is shown in these notes and cheques?—Yes.

3407. How was it that you came to make these payments to him, Mr. Crosby?—That is what I want to know.

3408. How did you come to make the payments to Senécal?—I could not help making them; he wanted money. It was a small commission, he said, and he wanted to get the money.

3409. Did he want more than you paid?—He did. We have to imitate the American system here; it is a most abominable system, but we have got to bribe every fellow that we can to keep him pleasant with us.

3410. Will you explain how you could not help it—how you could not help paying Senécal this money?—He used to come and bother me for the money himself; he told me how handsomely the Toronto people were treating him.

3411. Did he complain to you that you were not doing so handsomely as the Toronto people?—I should say that he did complain.

3412. They were coming down more handsomely than you were?—They were.

3413. You say that your orders were very few for the last eighteen months?—Yes; we had a row over these matters, and we got very few orders afterwards.

3414. Was it because you would not give him what he wanted that you quarrelled?—Yes; he wanted more.

3415. How much did he claim?—He claimed a few thousands.

3416. And did you refuse to give it to him?—Yes.

3417. What did he want from you?—Well, he wanted the earth, nearly. He said I should have paid him at least \$5,000.

3418. You told him that you had paid him enough?—I did. I felt that we had paid him too much.

3419. Since you had that little difference you have not had many orders?—No. You must understand that our company is a mixed company of Liberals and Conservatives.

3420. You have told us that two or three times, but you have not proved yet that Mr. Murray ever gave a cent to the Liberal party?—I know that gentlemen came to the Richelieu Company's office; he did not give Mr. Benoit all the money; there were good Liberals who got it there, too.

3421. Did Mr. Senécal ever, on any occasion, telegraph that he was "hungry"?—He wrote to me telling me that he was hungry, but he never telegraphed. I never took any notice of that part of it.

3422. He told you that he was hungry or hard up?—Yes; but I took no notice of that.

3423. Have you a cheque for \$150 endorsed by Mr. Chapleau?—No.

3424. Do you remember the Napierville election?—I do not remember.

3425. You have no such cheque?—No.

3426. Now, in addition to the \$1,200, what else did you give Mr. Senécal?—I gave him about Christmas, about that time, a case of wine. I do not know whether it was the first Christmas or the second.

3427. What kind of wine?—Case of Pommery.

3428. Anything else?—About the time he was moving I gave him a pier glass.

3429. These were the only presents?—Yes.

3430. Did he get anything more from the company?—He got nothing from the company except by or through me.

3431. Then that is one case of champagne at Christmas and the pier glass. Did you ever tell him that you were going to complain to the Government?—Yes; I told him I was going to complain.

3432. And did you make any complaint?—I did not. I did not want to hurt the "poor devil."

3433. What reason did you ever receive for paying this money?—The only reason was, he told me, as I have already said, that the others were paying him—were treating him handsomely.

3434. Did he tell you where it was to go?—No.

3435. Did he state that it was for political purposes?—No, sir.

3436. Did he tell you it was for himself?—He did not tell me what it was for. He used to come and ask me for it; he was always hard up; one time he said he had to pay an insurance policy, another time it was something else, and again, another time, it was something else, and so on.

3437. Payments on land, for instance?—Yes.

3438. Did he ever give you that as his reason for his wanting money?—I do not remember that he ever did.

3439. To other people he said he had to make payments on land, but he did not tell you that?—No.

3440. Did he ever give you any reason at all?—He told me that he was hard up; that he wanted the money.

3441. Did he tell you anything else?—He told me that he had to keep up a style in Ottawa with the other civil clerks; that he had to keep a horse and buggy and that he had to entertain Ministers. In fact, I do not know what in the devil he had not to do. He could not live on his salary—that was one thing he said.

3442. Anything else?—He said he had to take his family to the seaside.

3443. The same as other civil servants. You told us that you had known him for about 20 years?—Yes. We knew each other before I was in the foundry. I was a printer by trade and worked with him.

3444. Do you know where he worked?—He was foreman or manager of *L'Etendard*—something of the kind.

3445. Do you know where he worked before that time?—I cannot say. I think he came from the States.

3446. He worked in another place in Montreal before that, did he not?—I do not know that.

3447. How long after he came from the States was it before he received the appointment?—He must have been on *L'Etendard* a long time. He used to come down from time to time to the office.

3448. Would it be two or three years?—I do not know.

3449. How long has *L'Etendard* been in existence?—I do not know. His brother has got one of the largest printing offices in Montreal.

3450. You do not know what salary he was getting on *L'Etendard*?—I do not know.

3451. He never told you?—No. When he came to see me he always used to represent that he wanted money.

3452. What representation did he make to you when he wanted these notes?—The first was that he was hard up, and the second note was to help him to move to Ottawa.

3453. At the time that you advanced the money on the first note, did he represent to you that he had got the appointment?—Yes.

3454. And when you gave the second note he had the appointment?—He had the appointment.

3455. And the object was as stated by him—to move his family to Ottawa?—That is what he told me; in fact, he was very anxious afterwards to get those notes back, but they were in Mr. Murray's possession.

3456. Was the money payable by Mr. Murray?—It was payable by P. A. Crossby, endorsed by P. A. Crossby, and discounted by the company.

3457. Do you know anything about the New England Paper Company?—I know Mr. Young very well.

3458. I believe you were trustee with Mr. Young in connection with *L'Imprimerie Générale*?—Yes.

3459. The General Printing Company?—Yes.

3460. Was Mr. Berthiaume connected with the company in any way?—With *L'Imprimerie Générale*? No.

3461. Did Wurtele and Company own it?—No; it was not Wurtele and Company—that is a mystery. If I had known about it I might have got the papers I had connected with it.

By Mr. Chapleau :

3462. It was the Tassés?—Yes; Emmanuel Tassé and Joseph Tassé.

By Mr. Lister :

3463. The Senator?—The Senator—yes.

3464. They were the owners of the General Printing Company?—It was a company, but they were the owners.

3465. When you speak of Sénéal you mean the Senator, I suppose?—I have not mentioned Mr. Sénéal's name at all. It is Senator Tassé I mean.

By Mr. Lister :

3466. The General Printing Company, then, was composed of Senator Tassé and his brother?—Not his brother, but Emmanuel Tassé.

3467. Are they any relations?—No ; I don't think they are relations.

3468. Then these two gentlemen were owners of the General Printing Company?—Yes.

4469. And that concern became insolvent?—Became insolvent.

3470. And you were one of the assignees?—I was one of the inspectors.

3471. And Mr. Young was, I believe, another?—Mr. Young was another, and Mr. Meredith, Manager of the Bank of Montreal.

3472. That concern was sold out, was it?—It was sold out.

3473. Who bought it?—We advertised calling for tenders for the plant, and Mr. Richard White of the *Montreal Gazette*—

3474. Has that anything to do with the printing of *La Presse*?—Yes ; *La Presse* was printed there and *La Minerve*.

3475. Was Mr. Berthiaume connected with it in any way?—No.

3476. Was he working there?—No.

3477. He had nothing whatever to do with it?—No.

3478. Is that the plant Mr. Berthiaume now has?—I could not tell you. The plant was all sold out piecemeal and different parties bought it. Mr. White sold part of it. Mr. White sold a press, and I have sold new type since.

3479. Is there such a company as the Printing and Publishing Company of Montreal?—That is *Le Monde*. I forget its title now. That is the other printing and publishing company.

3480. Whose is that?—That is where Wurtele is now, and Mr. Lessard, and Mr. Vanasse.

3481. And where is *La Presse* published?—*La Presse* is published by Mr. Berthiaume now.

3482. Mr. Berthiaume has his own printing plant, I suppose?—Yes.

3483. Do you know whether any of that printing plant is what belonged to the General Printing Company?—I could not tell you now ; they parted with the presses.

3484. Did you pay any other people in the Printing Bureau, besides Mr. Sénéal, any money?—No, sir.

3485. You paid no money whatever to anybody else in the Printing Bureau?—No, sir.

3486. You know a man named Hallaire?—Yes.

3487. Did you pay him any money?—No sir.

3488. None at all?—No.

3489. No person else would get anything from you in connection with the Printing Bureau?—No.

By Mr. Chapleau :

3490. Did I, to your knowledge or to the knowledge of any of your firm, or did you ever hear any of your firm say, that I had asked anything in the way of a subscription for any purpose whatever?—No, sir.

3491. Mr Lister was asking you about a cheque endorsed by me for the Napier-ville election. Did I ever speak a word to you about that election fund?—No.

3492. What was the conduct of the Department with your firm in business matters? Was it one of looseness or of unjust favouritism, or what was the manner of conducting the business?—Oh, there was no looseness about it by any means.

3493. Did it look as if the Department was giving you any favor, or favoring you at the expense of others?—I think you done the very reverse than give us favours.

3494. Were the prices that were asked and the prices that were paid by the Department, above or lower than the ordinary prices that you got from your customers?—We just treated you the same as we treated other customers—like other large customers.

3495. Were the prices paid by the Government high prices, or market prices, or what are called “close” prices?—They were the regular prices.

3496. Did you allow the Department the discount you generally allowed in the trade?—We did.

By Mr. Foster :

3497. That is 10 per cent. ?—Ten per cent.—yes.

By Mr. Chapleau :

3498. You were telling us that Mr. Murray, I think Mr. Starke also, and Mr. Scott if I am not mistaken, in your firm, are not Conservatives, but they are Liberals?—I think Mr. Starke is a Conservative; I don't know about the others.

3499. Mr. Starke?—Yes; I am not sure.

3500. As there has been talk about \$1,500, did you ever hear him asking for a subscription?—No, sir; I never had any conversation about the matter.

3501. I understood you to say in answer to Mr. Lister that you never came to Ottawa to settle about the supply of type and presses and time of delivery. Do you remember that at the end of 1887, or rather in the beginning of 1888, I sent for you, and you came to my Department to meet Mr. Chamberlin and I think Mr. Romaine?—There is a telegram here. It is a telegram you sent to Mr. Murray to send me up.

3502. It was after that you received the order which was approved of. Were the orders you received large orders?—There was only one big order.

3503. Do you remember Mr. Romaine talking over the presses with you and Mr. Chamberlin in my Department?—They talked over the presses—yes.

3504. Is it not your recollection that we tried then to establish prices—to make them equal—between the firm from which we were buying, and which was importing, and your firm which was manufacturing?—Yes.

3505. I think we had a pretty hot discussion about it?—I know we did.

3506. And I think you believe even now the Department owes you something on account?—I don't think they treated us very fair, that is all; I think they gave a percentage to people too much—they went out of Canada too much, as I said at the time.

3507. Is it not a fact you have said even lately, even in the last four or five months, that you have been treated harshly by the Department?—Oh, yes.

3508. You know that Mr. Sénécal, who was Superintendent of the Printing Bureau, was no relation of Mr. Sénécal, the Senator?—No, sir; he was no relation at all; he was not of the same family.

By Mr. Taylor :

3509. You say that Mr. Murray, the president of your company, is a Liberal?—He was a Liberal, sir, but he is dead.

3510. Mr. Scott, your book-keeper, is also a Liberal, is he not?—I understood he voted Conservative at the last election—he told me so. I did not ask anybody how they voted, though,

3511. But Mr. Murray, then your president, was aware of these contributions to Mr. Sénécal?—He was only aware of one or two, because he died shortly after that.

3512. I see by a letter there that he was at that time president?—He was only aware of the one he sent himself. He told me not to give any more, but I did. I could not help it.

3513. You do not know if he notified the Government at any time that Sénécal was getting a commission?—I do not think he did. I would have known if he had.

3514. You say this cheque for \$1,500 which was given, you handed to him, and he put it in his pocket?—Yes; I remember the circumstances well. He never said a word when I gave it to him.

3515. And that was in the office of the Richelieu Company?—Yes. He was president of the company at the time. Capt. Labelle was there when I handed it to him.

3516. For all you know, it may have been given to the president of the Liberal Association?—I do not know what he did with it.

Sir RICHARD CARTWRIGHT—At the same time that the cheque was made payable to the president of the Conservative Association.

Mr. TAYLOR—It is just as liable to have gone the one way as the other.

By Mr. Lister :

3517. Have you the cheque?—Yes; here it is. (Witness produces cheque, which was filed as Exhibit No. 14).

3518. That was the cheque you signed for the \$1,500?—That is the identical cheque.

3519. And that cheque you handed to Mr. Murray, your president?—I did.

3520. And he folded it up and put it in his pocket?—He did. When it came back he told me to put it in a place of safe keeping. I put it with the other cheques.

3521. Why did not we see it before?—I intended that you should see it. It is made out in the name of the "president," but what he is president of I do not know.

Mr. CHAPLEAU—It is endorsed by Mr. Benoit himself. What is the use of losing time on the point. I tell you he is president of the Conservative Association.

3522. This is the cheque you countersigned and gave to Mr. Murray?—Yes. It is endorsed by F. Benoit, President.

(EXHIBIT No. 14.)

"No. 1542.

"DOMINION TYPE FOUNDING COMPANY,
"MONTREAL, 12th January, 1888.

"To the Manager of the Bank of Montreal :

"Pay to François Benoit, Esq., President, or order, fifteen hundred dollars.

"R. G. STARKE, *Vice-President.*

"P. A. CROSSBY, *Manager.*"

3523. As a practical type man, what would you say as to purchasing fonts of type from different foundries for the one establishment?—Well, it is not right.

3524. What is the danger?—It would not mix. You could not mix them in the office for use together, but they are liable to get mixed.

3525. It is not a customary thing?—Oh, yes; it is. It is quite customary to buy body type from one foundry and job type from another.

Mr. SOMERVILLE—But not in a case of this kind?—No; it does not do.

By Mr. Chapleau :

3526. You say it is not right generally to have two different fonts of type in the same establishment. Do you remember what quantity was required at the time we asked you to supply part of it?—Yes. I mentioned that before. I read the letter.

3527. Were you not obliged to divide the order. You could not have supplied the whole order?—I said so. We could not have supplied the order in the time specified. No foundry could do it.

3528. You have seen the Printing Bureau here?—Yes.

3529. You have inspected it thoroughly?—I have been all through it.

3530. You are a judge of type, presses and everything of the kind, and I ask you, is the establishment a credit to any company or Government that would have such an establishment?—It is, sir. It is one of the best offices that I have seen.

3531. Are not all the arrangements in that establishment as complete and perfect as can be?—They are.

3532. Have you seen the national printing establishment at Washington?—I have been in it.

3533. Can you say, taking into comparison the difference in size and importance, to which of the two you would give the preference as a complete establishment?—I would certainly give the preference to the one here. It certainly seems to be more complete, and the better office than the one at Washington.

3534. Would it be a dangerous thing if minion from a certain establishment, to the extent of 160,000 lbs., was employed for one thing—as, for instance, the voters' list, in a special room, and minion from another establishment to be in use in another room in the same building?—I do not complain of that.

3535. I asked you, would it be dangerous if you had a font of minion from one foundry in one room for special work, and kept confined to that special work, and another font of minion of another establishment in another room?—No; so long as you keep it separate.

By Mr. Lister :

3536. Have you paid to any other employé of the Printing Bureau any commission except to Mr. Senécal?—No, sir.

The CHAIRMAN—I desire to read the following letter which I have received from Mr. J. Brooks Young, who was a witness here at the last meeting :—

(EXHIBIT No. 15.)

“ MONTREAL, 11th September, 1891.

“ DEAR SIR,—On my return to the city last night I made a thorough search for any letters I might have received from any of the Ministers at Ottawa, and I find that I have never received any letter from Hon. Mr. Chapleau. Mr. Lister led me to believe from his manner that he had a letter in his possession, or a copy of one, from Mr. Chapleau to me, and although I could not remember ever receiving one, and (as all things are possible) I thought it might be possible that Mr. Chapleau had written me, saying he would endorse the notes referred to.

“ It is very evident my first impression was right, as I certainly should have kept any such letter as a valuable document.

“ Respectfully yours,
(Sgd.) “ J. BROOKS YOUNG.

“ CLARKE WALLACE, M.P.,
“ Ottawa.”

WILLIAM GLIDDON called, sworn and examined :—

By Mr. Lister :

3537. Are you an employé of the Printing Bureau?—Yes, sir.

3538. What is your position?—Accountant.

3539. What are your duties—simply to keep the accounts?—And pay all the cheques and accounts.

3540. Do you keep an account of everything that comes into the Bureau?—No, sir.

3541. You simply enter up the books?—I keep no entry of the material.

3542. Whose duty is it to do that?—That I cannot tell. That would be in Mr. Senécal's branch.

3543. Has Mr. McMahon anything to do with that?—Yes; very likely, as he has been Assistant Superintendent.

3544. Do you know anything about the Linotypes that have been purchased lately?—I know that they have been purchased.

3545. How many?—Four.

3546. How long have they been there?—I think it was in the spring of the year—early in the spring of this year.

3547. Were they all put in there about the same time?—Yes.

3548. Do you know who they were purchased from?—From the Linotype Company.

3549. Where of?—I think of Brooklyn.

3550. Do you know the price of these Linotypes?—I know what was paid for them.

3551. How much?—\$3,500 each.

3552. And four of them were bought?—Yes.

3553. They have been here since the month of—?—I think possibly about February.

3554. Was a man sent along with them for the purpose of showing how they were to be worked?—I think so.

3555. Has he been there ever since?—No, sir.

3556. Have these Linotypes done any work for the Government since?—I think so. It does not come under my supervision at all.

3557. Do you know how much it has cost to run them per month—wages, and so on?—I do not.

3558. You have no idea?—They have not been run constantly.

Mr. CHAPLEAU—It has not cost anything. There is an employé, but he is paid by another Department.

3559. Have you men in charge of these types, working on them and practising?—As I said before, it is not under my supervision.

3560. You know nothing about it?—No. I know Mr. Labelle is there.

3561. Have you taken stock of the plant in the Printing Bureau lately?—No.

3562. Has stock been taken?—I cannot say.

3563. You do not seem to know anything that is going on there?—It has nothing to do with me. I pay all accounts, issue all the cheques and see all the accounts that are paid. All the accounts pass through my hands.

3564. Have you had occasion to look into the cellar of the Printing Bureau?—Yes.

3565. Did you notice if there was any large stock of type there?—I have been in the cellar, and to my recollection there is nothing there but paper. It is used for the storage of paper.

WILLIAM McMAHON called, sworn, and examined: —

By Mr. Lister:

3566. You are Assistant Superintendent of the Printing Bureau?—Yes.

3567. How long have you been there?—I was appointed on the 31st May, 1890.

3568. You have occupied the position of Assistant Superintendent from that time forward. Now, tell me how many presses there are in the Printing Bureau?—Sixteen presses.

3569. When was stock taken?—I cannot say as regards stock-taking. The invoices of goods were made to Mr. Sénécal and came to me. They were in duplicate, and one was sent to the Auditor General and the other retained by the Accountant. As regards the purchases generally, I had nothing to do with them only as I saw them as I passed through. As to taking charge of them particularly, I did not know anything about them, only what I observed as I walked through the establishment attending to work generally.

3570. Did you take stock of the Bureau?—I do not know that stock-taking was done, as that would rest with the Manager and Accountant.

3571. Do you know that stock was taken?—Not of my own knowledge. To the best of my knowledge, I do not think it was.

3572. If it had been taken since you were there you would have known about it?—I think so.

3573. You say there are sixteen presses of all kinds?—Various sizes.

3574. Are the presses all set up?—They are; they are all running. There are sixteen large presses and seven small Gordons, making twenty-three presses in all.

3575. They are all set up?—Yes.

3576. Is the type all in use?—All the type we have in the Printing Bureau is not in use.

3577. Where is that which is not in use?—It is in charge of the storekeeper, in the attic of the building.

3578. Can you tell me how much, approximately, of the type is not in use?—I cannot from memory; but I believe that a short time ago there was a statement made and handed to the Accountant.

WILLIAM GLIDDON re-called and further examined:—

By Mr. Lister:

3579. How much would that be?—I think there was 40,000 pounds of minion not in use.

3580. And never has been used?—No; not to the present time.

WILLIAM McMAHON'S examination continued:—

By Mr. Lister:

3581. You say there are sixteen large presses in use?—Yes; and seven small Gordons.

3582. How many Potter presses?—The sixteen presses are Potter presses.

3583. You say these sixteen presses are all set up in the Bureau?—Yes; they all work.

By Mr. Chapleau:

3584. You have had questions put and answers given about the difference of type. Was it possible for the Dominion Type Foundry, for instance, to supply the amount of type that was wanted both for the general printing of the Department and for the voters' lists? Would it have been possible for one establishment to supply all the type that was wanted?—I believe not, from the nature of their correspondence at the time.

3585. Is there any great danger or difficulty in your Department, as it is arranged, to keep these different types apart?—None whatever. We have to use different types. We must do so. We use one for the *Gazette*, another for the *Hansard*, another for the lists, and I believe the House demands that their reports shall be printed in long primer.

3586. And one for the voters' lists?—Yes. We were short of long primer in this Committee, I believe. We had about 10,000 pounds of long primer, but we were short for printing the reports of this Committee, and we were obliged to print some of the reports of this Committee in small pica.

3587. At times you were short of the fonts of type?—Sometimes the type would run out.

3588. The minion which is used for the voters' lists you keep in a separate room?—Yes; it is kept in the attic.

3589. You are acting now as Superintendent since Mr. Sénécal left?—Yes.

3590. You have known Mr. Sénécal since you have been there?—Yes.

3591. Will you give the Committee an idea of his capacity or competency as a printer?—In his capacity as a printer and practical man I believe him to be, so far as my humble opinion is concerned, a perfectly competent, capable and able man—a man with very good judgment in the discharge of the duties devolving upon him as Superintendent of the Printing Bureau.

3592. Did he preside over the whole management of the Printing Bureau?—Yes.

3593. And so far as you can judge, did our management seem to be clumsy or not up to the mark in any way, or was it exactly the opposite?—Well, as an officer of the Department myself, I probably would not like to give an opinion in that respect. However, all those who have visited the office, both from the American side and this part of the country, have spoken in the highest terms of praise of the arrangement in the Printing Bureau.

3594. I think you have known that we had as a visitor to the Printing Bureau the gentleman in charge of the Washington Printing Office?—I have no recollection of his being there, but I have heard that he was.

3595. At all events, you say that Americans who have visited there have paid the highest compliment to the Printing Bureau?—Yes.

By Mr. Somerville :

3596. You are not a practical printer yourself?—No; I am not a compositor, but I have a good deal of experience in the printing office.

3597. Mr. Chapleau asked you about having different types together?—Yes.

3598. There is no danger of long primer type and minion getting mixed, because they are different sizes?—No.

3599. These types could not get mixed; it would be impossible for them to get mixed?—Yes.

3600. Now about the purchase of this 40,000 lbs. of minion—whose transaction was that?—I cannot say. I did not purchase it. I did not take any prominent part in the purchase of any of the type.

3601. The type used for the Dominion voters' lists is part of the extensive purchases?—Yes.

3602. Is the Montreal type used for that?—I think it is a portion of the one and a portion of the other.

3603. Then they are liable to get mixed, are they not?—The two kinds are discernible by the marks or nicks on the type.

3604. They are not in separate rooms, as Mr. Chapleau wanted the Committee to understand?—They are not in separate rooms.

3605. You say that there is used for the voters lists, Montreal minion and the Scotch minion?—Yes.

3606. And Mr. Patterson's type and the Montreal type are in the same room?—Yes.

3607. But there is a difference between the two, the one minion is a two nick minion and the other is three nick minion. The two fonts of type are in the same room and they are used for the same purpose?—Yes.

3608. Now about the Linotype?—They have been in since February.

3609. What were they got for?—For the printing of the Senate *Hansard*. We used it for the *Hansard* to the 23rd or 24th June, and we found that the types were smaller than the long primer types were, and the Senate machines were not in working order. I think if I remember rightly the Typographical Union were to furnish operators for the machines when they were placed in working order, and operators were taken from the working room to work in order to obtain a knowledge of the working. We had four men there.

3610. Have you ever had any practical result from this?—Not more than I have stated.

3611. You have never had any practical result from these machines yet?—No. We could not do anything with them when we found that the printing of the *Hansard* had been begun in long primer. It is too far gone to do the work with the Linotypes.

3612. Do you know that there are four others ordered?—I do not.

3613. Was there any more ordered?—I do not know.

By Mr. Foster :

3614. When we were talking about the minion—about there being two different fonts in the same room, the question was raised as to the possibility or probability of

their getting mixed. Now from your practical knowledge has the minion ever been mixed or has there been any trouble caused by its becoming mixed?—Not to my knowledge.

By Mr. Chapleau :

3615. And if the proper care be taken they will go on as they have done for the last three and a half years?—Yes.

3116. If they had become mixed you would have known of it?—I think I would be acquainted with the fact if they had become mixed.

3617. And so far as your knowledge goes they have not been mixed?—No.

By Mr. Somerville :

3618. Would it not be possible that they might be badly mixed and you not have any knowledge of the fact?—Yes, it would be possible.

3619. You have known MacLean, Roger & Co. purchase type of different foundries?—They purchased a considerable quantity, in fact nearly all of it from the Dominion Type Foundry.

3620. They would buy all they wanted of one particular type from one foundry?—Yes.

3621. From your knowledge of the printing business you know that a printer would be foolish to have two fonts in the same room—types of the same size and same face?—Yes.

3622. But these are in the same room?—Yes; they are there.

By Mr. Costigan :

3623. Mr. McMahon has been asked if it was wise to buy type from two firms and his experience in connection with MacLean, Roger & Co.'s establishment has been mentioned. I would just like to ask, do you not consider that if MacLean & Roger's firm required a certain kind of type and they could not get the whole of it from one establishment, that they would go to a second firm for it?—They would.

By Mr. Somerville :

3624. And you have 40,000 lbs. of this minion stored in the garret that has never been used?—It has not been used at the present time. But the voters' lists now make 7,696 pages; last year the pages were increased by 1,900 and there is a possibility of their increasing again, in that case it would be necessary to use this type.

3625. Are you using the Montreal type for the voters' list?—A portion of it.

3626. A witness was here the other day and stated that you are now purchasing sorts from Toronto to sort out the Montreal type?—Not to my knowledge.

By Mr. Lister :

3627. Is it not a fact that a good many voters' lists are being printed in the country printing offices?—Not that I know of.

3628. Have you no knowledge at all of the Government giving the printing of the voters' lists to the local newspapers?

MR. CHAPLEAU—That is not the same thing. The preliminary lists are given to every printer in the country.

By Mr. Chapleau :

3629. As to the final list, there is not one but what is printed in your establishment?—That is all.

3630. You say that the printing of the lists has increased by about 1,900 pages. If they increase to 2,000 pages how many pounds of type would that represent?—I think it would represent, taking a page on the voters' lists, at a weight of 16 lbs., and I believe 2,000 pages would represent 32,000 lbs.

3631. Do you suppose that in a large establishment like the Printing Bureau the difference of about ten or fifteen thousand pounds that they keep is an enormous reserve?—No.

3632. You have spoken of Linotypes. You are enough in the printing world now to know something of them. Is the Linotype not considered to be one of the most wonderful and most useful improvements in the way of printing inventions?—It is spoken of in that way.

3633. Are you not aware that it is very extensively used now both in the United States and in England?—The machinist who came here to put up the Linotypes so informed me.

By Mr. Lister :

3634. It was stated by Mr. Chapleau —

Mr. CHAPLEAU—Pardon me for interrupting you, but I would like to say that when I made my statement in the House the other day regarding plant at the Bureau I made a mistake. The information was founded on a statement prepared a year and a-half ago. I made the mistake of thinking that only the printing stock which I valued at \$180,000 was referred to, whilst it appears that the whole of the plant, machinery, boilers and engines was spoken of, which would amount to \$275,000. Mr. Gliddon sent me a corrected statement which I am to make in the House.

Mr. LISTER.—The amount is \$276,384, and in addition to that four Linotypes were ordered, costing three or four thousand dollars each.

The WITNESS.—Linotypes now sell at \$3,000.

3635. What were they selling for at the time they were purchased?

The WITNESS—\$3,500.

Mr. LISTER.—The \$14,000 would have to be added to that sum, making \$300,000.

Mr. GLIDDON.—The \$14,000 is included in the \$276,000.

Mr. CHAPLEAU.—Would that include the engines, boilers and all the material?

Mr. GLIDDON.—All that is considered as plant.

Examination of Mr. McMAHON continued :

By Mr. Landerkin :

3636. The local papers printed the preliminary lists, you say?—I believe so.

3637. If they were capable of printing the preliminary lists, could they also print the others?—No; I think it would be very hard work for them to do. In the printing of the preliminary lists the names to be added and names to be removed are already printed in the localities, but the final lists are kept standing and the revisions made upon them would be very great for a small office. To get a small office to do this they would have to make a special preparation—very extensive preparations—to make the alterations.

3638. Do you make the alterations after the final list is completed?—No. The preliminary lists would be sent out and the final lists would be struck after, the names to be added and names to be removed—or, in other words, the preliminary lists will form “copy” for the corrections in the final lists.

By Mr. Somerville :

3639. You say it would be difficult for any ordinary printing office to print these lists?—It would be, if they did not make special preparation for it.

3640. I want to know if you are not aware of the fact that all the voters' lists for the Province of Ontario—for the local and municipal elections—are printed in the printing offices all through the country?—Well I am not aware of the fact. I thought that all these large offices, such as the *Globe* and *Mail*, could undertake —

The CHAIRMAN—The course that is pursued in different municipalities is not evidence here. This witness is not to be asked questions concerning the Government's policy. That is a matter to be debated in the House, and should not be a subject for questioning witnesses who come before this Committee.

By Mr. Somerville :

3641. I want to ask this witness if he is aware these local lists are printed in the printing offices of the Province of Ontario now?—I could not say.

3642. Are they printed at the Government Bureau?—Which list?

3643. The local lists?—No; they are not printed there.

THE CHAIRMAN—I have already ruled on this question.

EDWARD POOLER called, sworn and examined:—

By Mr. Lister:

3644. I believe you are foreman of the pressroom in the Printing Bureau?—
Yes.

3645. How many Potter presses are there there?—Sixteen.

3646. Set up?—Set up and running.

3647. How many Gordon presses?—Seven.

3648. Are all these presses required in the establishment in your judgment?—
Yes, sir.

W. C. ALLAN called, sworn and examined:—

By Mr. Lister:

3649. You are foreman of the bindery department of the Printing Bureau, I believe?—Yes, sir.

3650. How long have you been in that position?—Since the organization of the Bureau.

3651. The past three or four years?—Yes, sir.

3652. Do you know what stock and plant you have on hand?—Yes, sir.

3653. How much mill board and other material of that kind do you use in a year?—Last year we used between 40 and 50 tons.

3654. Altogether, last year?—Yes, sir—mill and strawboard.

3655. Would that be the average quantity used per year?—No; it fluctuates. Sometimes it is more, sometimes less.

3656. What is the least you have used?—The first year of course we only ran a portion of the year, we used then about 30 tons.

3657. And last year you used 40 tons?—Over 40—between 40 and 50 tons. I could not say exactly.

3658. Can you give us any information as to whether the plant in the bindery department is in excess of what is actually required?—No, sir, it is not in excess.

3659. In your judgment, it is just what is required?—Yes.

3660. And no more?—No more.

TREFFLÉ BERTHIAUME called, sworn and examined:—

(Mr. F. B. Hayes acting as interpreter.)

By Mr. Lister:

3661. What is your business?—Printer and publisher.

3662. Of what paper?—*La Presse* and *Le Monde Illustré*.

3663. How long have you been editor of *La Presse*?—I am not the editor; I am the publisher. I have been publisher two years.

3664. Who is the editor?—The chief editor is Mr. Nantel.

3665. Who publishes *La Presse*?—I do.

3666. Who owns the establishment?—I am the proprietor of the whole material myself.

3667. As owner or lessee?—As owner.

3668. You are the sole proprietor?—I am the sole proprietor of the whole material.

3669. I understand you are a lessee from the company?—Only for the title or goodwill of the paper.

3670. Who is the owner of the paper?—The Montreal Publication Company are the proprietors.

3671. Is that an incorporated company?—Yes.

3672. Who is the principal stockholder?—The Hon. Mr. Chapleau, I believe.

3673. How much stock does he hold?—Over \$20,000.

3674. How much is the capital stock of the company?—\$40,000.

3675. How much has been paid up?—It is all paid up.

3676. When was this company formed?—Two years ago, I think.

3677. Are you sure it was two years ago?—I think so.

3678. At the time this company was formed, were you the owner of the printing plant, &c., that you have now?—I was not.

3679. When did you become owner of that plant?—About the same time as the formation of the company.

3680. From whom did you buy the plant?—From Hon. Mr. Chapleau and Mr. Ouimet.

3681. So that you became the owner of the plant?—Yes.

3682. What did you pay for that plant?—I paid about \$8,000.

3683. In cash?—No; with terms.

3684. What were the terms?—I have ten years to pay half, and for the other half I have about two years.

3685. For one half you have about two years from the time you purchased?—Yes.

3686. And for the other half you have ten years?—Yes.

3687. So that you paid nothing at the time you took over the paper?—I paid \$500 after a month, and \$500 for every six months since.

3688. So that at the time you made the purchase you paid nothing?—Nothing at all.

3689. Then at the time you made the purchase you formed a company, did you?—I did not.

3690. Then you made an arrangement with Mr. Chapleau to publish *La Presse*?—The arrangement is that I publish for him under a benefit. I have leased the proprietorship of *La Presse*.

3691. Which belonged to Mr. Chapleau and Mr. Ouimet?—Yes.

3692. Are they the only two stockholders?—I said I bought the plant from Mr. Chapleau and Mr. Ouimet.

3693. Mr. Chapleau is a stockholder to over \$20,000?—Yes.

3694. How much over \$20,000?—He has between \$20,000 and \$25,000.

3695. There is nothing in *La Presse* but the title to the paper?—No.

3696. That is the property of the company?—Yes, and the book debts at the time.

3697. You entered into an agreement to publish *La Presse* for your own benefit?—Yes.

3698. Was that part of the \$8,000?—The \$8,000 is another thing.

3699. How much were you to pay for the right to publish *La Presse*?—So much a year; so much every three months.

3700. How much?—About \$750.

3701. In addition to the \$10,000?—Yes.

3702. Have you ever paid anything on that for the right to publish *La Presse*?—I have paid that regularly every three months.

3703. How much have you paid on the plant which you bought from Chapleau and Ouimet?—About \$1,500 or \$2,000.

3704. Is there a writing between you and *La Presse* Company as to the publication of *La Presse*?—Yes.

3705. Will you produce it?—No: I have not got it.

By Mr. Chapleau :

3706. You have no objection to sending the agreement?—No; not at all.

By Mr. Lister :

3707. At the time you purchased this plant did you assume any debt?—Yes.

3708. Due by whom?—By Wurtele & Co. at the time, and the new company assumed the debts of Wurtele & Co., and I assumed the debts of the Montreal Publishing Company.

3709. Did Wurtele & Co. sell to Chapleau and Ouimet?—Not to Mr. Ouimet, but to Mr. Chapleau.

3710. *La Presse* was then owned by Mr. Chapleau?—Yes.

3711. Wurtele & Co. owed about \$10,000 to the New England Paper Company?—Yes.

3712. Then Wurtele & Co. sold to Chapleau?—Yes.

3713. Then Chapleau sold to the company?—Yes.

3714. And then the company leased it to you?—Yes.

3715. There was owing on the property at the time the Company sold to Mr. Chapleau this \$10,000?—Yes; more than \$10,000.

3716. Mr. Chapleau assumed that debt when he bought *La Presse*?—I suppose so.

3717. Then he sold it to the company, and the company were to assume the payment of that \$10,000?—Yes.

3718. Then the company leased it to you, and you were to assume the payment of that \$10,000?—Yes.

3719. That lease was in writing?—Yes.

3720. So Mr. Chapleau was responsible for the debt due by Wurtele & Co.?—Yes.

3721. And that debt was transferred to you—you became responsible for it?—Yes.

3722. How long was it after Mr. Chapleau purchased from Wurtele & Co. that this arrangement was made with you, that you should have the plant, and print *La Presse*?—About the same time.

3723. Then this whole deal took place within a short time?—Yes.

3724. Within a few days?—Yes.

3725. What security did the New England Paper Company take for that \$10,000?—My signature and the endorsation of Mr. Chapleau.

3726. And in addition to that debt of \$10,000 you were to pay \$8,000?—Yes.

3727. For the plant?—Yes; for the plant.

3728. And you were to pay \$700 a year for the right to use the title *La Presse*?—Yes.

3729. How long was that lease for?—Ten years; but I have the right to purchase.

3730. Then you were not to pay that \$10,000 for ten years. Were you to pay Mr. Chapleau anything for the right to use the name *La Presse* and for assuming back debts besides paying the New England Paper Co.?—I was to pay Mr. Chapleau about \$12,000 for his interest in the paper.

3731. Is it at the end of the ten years?—No; during that time.

3732. What periods during that time?—During eight years. I have only a lease of that paper for ten years, but I have the right on paying \$12,000 at any time to Hon. Mr. Chapleau, during the term of the lease, to become the proprietor of the whole thing.

3733. So that if you pay this \$12,000 during ten years you will be the proprietor of *La Presse*?—Yes; Mr. Chapleau will transfer to me all his stock in the company and I will be the sole proprietor.

3734. Mr. Chapleau will transfer all his stock and you become the sole proprietor?—Yes.

3735. Not the sole proprietor, because there are other stockholders?—I hold stock.

3736. The others never paid any stock?—Except me; Mr. Chapleau and I have all the money that has been paid in.
3737. You and Mr. Chapleau are the only stockholders in *La Presse*?—Yes.
3738. But there are others?—Yes; three or four others; but I do not think they have paid one cent. Mr. Chapleau gave them some of his to make a company.
3739. You and Mr. Chapleau form the company?—Yes.
3740. But Mr. Chapleau has agreed to transfer to you all his stock during any time in twelve years, provided you pay him \$10,000?—Yes.
3741. You say that in addition to paying \$12,000 you had to pay a rental of \$700 a year?—Yes.
3742. That \$700 a year had nothing to do with the purchase?—If I pay Mr. Chapleau \$12,000 I do not pay any more rent.
3743. Is the money that you pay in rent taken into account on the purchase money?—No.
3744. This represents 5 or 6 per cent.?—It represents 5 per cent.
3745. You bought the plant from Mr. Chapleau and Mr. Ouimet without giving any security?—Nothing except my signature.
3746. The price of the plant is \$8,000, and all that they hold against that is your signature?—Yes; except four or five notes which were endorsed by the Gebhardt-Berthiaume Company.
3747. It was taken over from Nantel, I believe, and they became the owners, and you gave your note to them and undertook the responsibility?—Yes.
3748. What company is this? Was there any company?—I formed the company.
3749. Is it a printing company?—Yes.
3750. You are a shareholder?—Yes.
3751. Two or three of the notes are endorsed by the company?—Yes.
3752. And the rest of them are made by yourself?—Yes.
3753. And no security given for them either by way of chattel mortgage or otherwise?—No.
3754. The notes are payable, how? One, two, three or four years?—I told you before. I gave seven notes to Mr. Ouimet; \$500 was payable in one month and \$500 payable every six months after that.
3755. You gave the notes to Mr. Ouimet?—I gave the notes to Mr. Ouimet for his half of the plant. Mr. Ouimet having a half interest took the promissory notes for the \$4,000.
3756. And you gave him those notes in the manner you have described?—I did.
3757. You gave Mr. Chapleau no notes?—No.
3758. What did you give him?—A deed.
- Mr. CHAPLEAU.—He gave me a notarial deed?
3759. You gave him a deed?—Yes.
3760. Binding you to pay \$4,000?—Yes.
3761. This \$4,000 is to be paid at the end of ten years?—Yes.
3762. So that the \$4,000 need not be paid until the expiration of the ten years?—No.
3763. That is to say you may or you may not pay it, just as you like?—Yes.
3764. With interest?—Yes.
3765. What is the interest?—Five per cent.
3766. Have you paid him the interest?—Yes.
3767. But none of the amount need be paid until the expiration of ten years?—That is so.
3768. Is that \$4,000 part of the \$12,000?—No, sir.
3769. The \$12,000 is apart altogether from the \$4,000?—Yes.
3770. So that altogether there is \$16,000 that you have to pay to Mr. Chapleau?—Yes.
3771. Is there any notes to show anything except the deed?—It is a deed of right to purchase.
3772. You need not purchase unless you like?—(No answer.)

3773. You need not purchase unless you like?—No.
3774. And there was this \$10,000 due to the New England Paper Company, how did you manage about that, that is owing still, is it not?—No, that is all paid.
3775. It is paid by the Canada Paper Company?—Yes.
3776. But it is due still?—I have paid 10 per cent.
3777. You have paid 10 per cent. three times a year?—Yes.
3778. So that you were to pay the company in addition to this \$12,000, you were to pay the New England Paper Co., \$10,000 that would make \$27,000?—Yes.
3779. You entered into an agreement to reduce that by 10 p.c. on the face value every twelve months?—Yes.
3780. Then the Canada Paper Co. appears on the scene and pays off the New England Paper Co.?—They did not. I paid the New England Paper Co. myself.
3781. Where did you get the money from?—I got the money from the Canada Paper Co.
3782. You gave the Canada Paper Co. your notes?—Yes.
3783. And these notes were endorsed by Mr. Chapleau?—Yes.
3784. For how much money?—About \$8,000.
3785. They knew that the money was being given to you to pay off the New England Paper Co. in virtue of the agreement?—Yes.
3786. Did they know any other party in the transaction at all?—Not at all.
3787. So that the New England Paper Co. were paid by the money you got from the Canada Paper Co.?—Yes.
3788. And you and Mr. Chapleau now owe the Canada Paper Co. how much?—From \$8,000 to \$9,000.
3789. When was this deal made with the Canada Paper Co.?—In February or March, 1890.
3790. That would be a year ago last February or March?—Yes.
3791. Then I suppose that your assets consist of your interest in this plant and your right to purchase the paper?—More than that. I own three properties.
3792. Unencumbered?—There is a mortgage on them.
3793. Then with the exception of these three properties, these are your assets. This paper *La Presse* that you may purchase?—I used to have in the bank about \$4,000 or \$5,000, and I have another deposit of about the same amount.
3794. Do you say have that in the bank now?—I used to get that in the bank.
3795. You used to get that in the bank.—Yes.
3796. You entered into an agreement with the New England Paper Co. about the promissory notes, and the property was leased over to you by Mr. Chapleau, and you got the Canada Paper Co. to relieve you of the liabilities to the New England Paper Co., and you agreed to reduce the notes every four months by 10 per cent.?—Yes.
3797. How did you know that Mr. Chapleau would endorse your note?—I asked him if he would do it. I did not want to take the property in the paper and to take the responsibility of these deeds, without Mr. Chapleau's endorsement, because Mr. Chapleau was already liable and I was not.
3798. You did not assume his responsibility alone?—No.
3799. Because Mr. Chapleau was already liable and you were not liable at all?—That is so.
3800. So you saw Mr. Chapleau, did you?—Yes, sir.
3801. And what did you say to him?—Well, I asked him to endorse a note and I would take the paper.
3802. Was that a part of the agreement you made at the time with Mr. Chapleau that he should endorse the promissory note?—Yes, sir.
3803. That was the consideration upon which you agreed to take this property?—Yes, sir.
3804. That he should endorse your note?—Yes, sir.
3805. Had you and Mr. Chapleau been engaged in business in any way?—No.
3806. As journalists?—No.
3807. That was the first deal between you two?—Yes, sir.

3808. How did you come to be brought into contact with him?—I don't remember if I had been there myself, or if Mr. Chapleau asked for me.

3809. You don't remember whether you went to see him or he went to see you? I was the printer of *La Presse*.

3810. You had bought from Mr. Chapleau and Mr. Ouimet?—No; before that I was the printer of the paper *La Presse*.

3811. Who owned it at that time?—Mr. Nantel and Mr. Wurtele.

3812. So you do not know how you came to be brought into contact with Mr. Chapleau as to the purchase of this property?—I don't remember exactly if I had been there myself or Mr. Chapleau came to me at the office.

3813. Did Mr. Chapleau ever say anything about the New England Paper Company getting a contract from the Government for paper?—No.

3814. He never said anything at all about that?—No.

3815. I notice that in this contract made by you there is a provision that: "Should the New England Paper Company or Mr. J. Brooks Young receive any contract for paper from the Government, one half of any profit arising therefrom, shall go towards liquidating the above indebtedness?"—Yes.

3816. How did you come to agree as to that?—Mr. Young was anxious to get a contract from the Government, and he asked me to see Mr. Chapleau about that.

3817. He was anxious to get a contract from the Government and he asked you to see Mr. Chapleau about it?—Yes.

3818. Did you see him?—Yes.

3819. Where did you see him?—At his office.

3820. Where?—St. James Street, Montreal.

3821. What did you say to him?—I asked him if he could give any order to Mr. Young and the New England Paper Company. He answered me: "Well, if he can supply a good quality of paper at the same price, or compete with other firms, I have no objection to giving a contract to Mr. Young."

3822. That was before you signed this contract, was it?—Yes.

3823. How was it this condition came to be put in this agreement?—I don't know, Mr. Young put it in himself.

3824. Had you any talk about it?—Not before I signed that contract myself, about that clause. He asked me before that, to see Mr. Chapleau.

3825. How long before?—Well, two or three days perhaps.

3826. Two or three days before this he asked you to see Mr. Chapleau, and you had seen Mr. Chapleau?—I had seen Mr. Chapleau before signing that and after.

3827. Your interview with Mr. Chapleau was after?—After and before; yes.

3828. Did you tell Mr. Chapleau that you had signed an agreement?—Yes.

3829. Did you tell Mr. Chapleau that half of the profits were to go in reduction of the notes?—I don't remember.

3830. Will you swear to that?—I do not remember.

3831. Will you swear upon your solemn oath you did not tell Mr. Chapleau that half of the profits on the sale to the Government were to be applied in reduction of these notes?—I remember, I never told that to Mr. Chapleau in the same terms.

3832. What did you tell him?—I told Mr. Chapleau that I had made a bargain or an agreement with Mr. Young. That if he sold paper to the Government, I was to take one-half of the profits.

3833. The agreement was signed after?—Yes, it was signed after I had asked an order.

3834. Two or three days after?—Yes; I never asked Mr. Chapleau for any more orders from the Government for the New England Paper Company.

3835. But you told Mr. Chapleau that the agreement contained a proviso that on all orders got from the Government, half of the profits would go to you on the notes?—To me.

3836. On the notes?—I never told that to Mr. Chapleau.

3837. That half of the profits would go to you?—Yes.

3838. You never told him that half of the profits would go in reduction of the notes, but that half of the profits were to go to you individually?—Yes.

3839. I suppose you intended to carry out the terms of this agreement—namely, to apply half of the profits upon the notes, did you not?—I never took care about that.

3840. That was the intention; that if you got anything from the New England Paper Company, your share of the profits should go the notes?—Well, I suppose so; I don't remember the terms now.

3841. Well, the terms are that: "Should the New England Paper Company or Mr. J. Brooks Young receive any contract for paper from the Government, one half of any profits arising therefrom shall go towards liquidating the above indebtedness." That was the agreement. Now, did you not tell Mr. Chapleau that one half of the profits would go in payment of the promissory note?—No; not in the same terms. I told Mr. Chapleau that half of the profits should go to me.

3842. And what did Mr. Chapleau say about that?—I don't remember.

3843. Did he say that would be all right?—No; I think he looked angry against me.

3844. Do you remember what he said?—I don't remember exactly; but he was looking angry, I am sure of that.

3845. Did you get him to give an order to this paper company afterwards?—Not afterwards, before.

3846. Oh, no?—Oh, yes.

3847. We will see. When was this contract entered into?—On the 15th October, I think.

3848. What year?—I think it was 1889.

3849. Do you swear that after that contract was entered into, you did not get an order from the Government for the New England Paper Company?

MR. CHAPLEAU—He does not understand you.

MR. LISTER—Yes, he understands me perfectly well. Mr. Interpreter, will you ask this question: After you entered into that agreement of October 15th, 1889, did you not get an order from the Government for the New England Paper Company for paper?—I never got an order for the Company.

3850. Do you not know that the Company got an order for paper after that?—I thought they did before it, for I had asked for it before it.

3851. Do you not know that they got two orders, one of which was before the agreement was entered into?—No.

3852. Then I ask you again, do you not know that the New England Paper Company received an order from the Government for paper after that agreement was signed?—I don't know whether it was after or before it. I asked Mr. Chapleau to send an order to the New England Paper Company before that day.

3853. Before what date?—Before the 15th October.

3854. About the time this agreement was signed?—Yes.

3855. Was it before the agreement?—Before the agreement.

3856. Immediately before?—Immediately before, yes.

3857. Immediately before that agreement was signed, you had asked Mr. Chapleau to give an order to the New England Paper Company? Is that correct?—Yes.

3858. That immediately before this agreement you asked Mr. Chapleau to give an order for the New England Paper Company for paper?—Yes, sir.

3859. You saw Mr. Chapleau after this agreement was signed?—Yes.

3860. And you told him what the terms and conditions were?—Yes.

3861. You told him that you were to divide the profits, that is to say, the company were to give you half the profits on all paper sold to the Government?—Yes.

3862. You told that to Mr. Chapleau?—Yes.

3863. Now, I ask you if after you told Mr. Chapleau that, did you know that an order was going to the New England Paper Company for paper?—No; I think the order was given before. Mr. Chapleau told me he was ready at the time I told

him, to send an order immediately to the New England Paper Company, because he wanted some paper very badly.

3864. That was when you told him the contents of this agreement?—No, it was before.

3865. But you have told us after this agreement was signed that you saw Mr. Chapleau, too?—About what?

3866. You stated after you had signed the agreement you saw Mr. Chapleau and told him what had been done?—I saw him several times after that.

3867. How often did you speak to him about giving an order to the New England Paper Company?—Only once.

3868. Did he say then he would give the company an order?—Yes.

3869. And that was the 15th October?—A little before that.

3870. When was this agreement signed? There is no date to it?—Perhaps a month after.

3871. The 15th of October you think?—Yes, but I am not pretty sure. I think it is in November instead of October.

3872. You swear it was the 15th of November?—I do not swear, for I am not sure if it is October or November.

3873. Would you tell me the date?—About the 16th of November.

3874. My memorandum is that the contract made was signed about the 1st of October? Will you swear that is not true?—I cannot remember the date exactly.

3875. But you do remember that after the contract was signed you saw Mr. Chapleau?—Yes.

3876. You do remember you told him there was to be a division of the profits?—Yes, a long time after.

3877. You said within a day or two after you signed the agreement?—No, a long time after.

3878. You did not say a long time?—I said within a few weeks.

3879. Was it within a day or two?—I will not answer any more questions in English, because I may have made a mistake. If you say I said so, I did not say so.

3880. You have already stated that within a day or two after signing this agreement you saw Mr. Chapleau and told him what it contained?—I did not say so.

3881. What did you say?—I said a long time after.

3882. How long after?—Several weeks after. I do not remember.

3883. Did Mr. Chapleau tell you he would give an order to the New England Paper Company?—No.

3884. You said he did, a few minutes ago?—No.

3885. What did he say?—He was looking angry. He said he could not consent to endorse that.

3886. When was it that that original agreement made with the New England Paper Company was signed?—As well as my memory serves me it was the 16th of November. I can remember by the notes—after figuring the matter out—at the beginning of October or the beginning of November.

3887. My instructions are that it was at the beginning of October? Will you say that I am wrong?—I cannot say that you are wrong, nor can I say that you are right.

3888. How do you fix the dates by the notes?—Because I gave that note on that day and they fell due on the 5th.

3889. You remember when you made your first payment on the notes?—I think it was in December.

3890. The first payment on the notes to the New England Paper Company?—Yes.

3891. When did you make your first payment on the notes of the New England Paper Company?—December or January.

3892. Was the first note four months after date?—Two months after date, I think.

3893. This agreement says: "these notes to run for four months and at maturity of same 10 per cent on their face value is to be paid."—I gave notes of 2, 3, 4 and 5 months.

3894. To the Paper Company?—To the New England Paper Company.

3895. The agreement provides these notes to run 4 months and at maturity of same 10 per cent of their face value is to be paid and the balance to be renewed at 4 months on 10 per cent of their face value being paid and so on, until the entire indebtedness of \$8,838.01 is paid." There is nothing about 2, 3, 4 and 5 months' notes in this agreement; they were four months' notes?—In place of making one single note, we divided it into several notes. As far as I can remember the first one was for 2 months, the second for 3 months, then 4 months and 5 months.

3896. Will your books show when the first note was paid?—Yes.

3897. Was 10 per cent paid on the first note at maturity?—Yes.

3898. And your books would show that?—Yes.

3899. Can you send your book here containing the entry of the payment?—If it is absolutely necessary.

3900. We would not keep it long. Send it to Mr. Hartney and only that one entry will be looked at. Did the president or any other officials of the Canada Paper Company make any inquiries about the New England Company's contract?—No.

3901. Did they ever speak to you about it?—I went to them myself.

3902. To whom did you go?—To the Canada Paper Company.

3903. Whom did you see?—Mr. MacFarlane.

3904. What did you say to him?—I told him that the New England Paper Company were not giving satisfaction, that I wanted to buy paper from him.

3905. And arranged to give them the same security that the New England Paper Company held?—Yes.

3906. That is a note made by you and endorsed by Mr. Chapleau?—Yes.

3907. Was it an endorsed note or a joint note? Was the name of one of you on the face of it or both?—It was my name in the note, endorsed by Mr. Chapleau; except one of the notes which Mr. Chapleau signed instead of endorsing, by mistake.

3908. Where were the notes signed?—Ottawa and Montreal. They are all dated Montreal.

3909. Where were they signed?—I used to send them all here as Mr. Chapleau was here.

3910. Did Mr. Young speak to you about the payment of profits on orders from the Government?—Yes, once.

3911. Where was it you saw him?—By chance.

3912. Where?—In his office. I was in the habit of going there often.

3913. How long after the paper had been furnished was it that he offered you the money?—He never offered me the money.

3914. He says he did?—He may say what he likes.

3915. Did you ever speak to Mr. Young about the profits on these orders?—No but he spoke to me.

3916. What did he say?—He asked me if I expected to have my share of the profits, and I had even forgotten that I was to receive any profit.

3917. How long was that after the paper had been sold?—A long time—a month or two after.

3918. After what?—After I knew that the paper had been delivered.

3919. Then he asked you if you wanted your share of the profit?—He asked me if I expected to receive any share of the profit.

3920. What did you say to Mr. Young?—Mr. Young went on to say that the profit was not large; that if he had not lost money, at all events, he had made none. I said afterward to Mr. Young, "If you have made no profit and as I have only half the profit there will not be much coming to me." He laughed and we parted.

3921. Then, Mr. Young gave you to understand there were no profits?—Yes. The first time I heard about profits, was in court from Mr. Young.

3922. Where was that?—Mr. Young was a witness in the case, and he testified that there were over \$100 of profits.

3923. That was the first time you knew there were any profits?—Yes, and thereupon I said, “as there are \$100 of profits I must have \$50,” laughingly. It was a joke.

3924. That was the first time you knew there were any profits?—Yes.

By Mr. Chapleau :

3925. When you came first and spoke to me about Mr. Young wishing to get orders from the Government for supplying paper, it was before you had any knowledge of this transaction?—It was before.

3926. Did he speak to you about that in connection with any transaction, or did he say to you as any man having business with you would say: “I would like to have contracts with the Government.” How was it said?—I would have done it even without that clause. I knew nothing about that transaction at the time and the question never came up between me and Mr. Young.

3927. When he spoke to you did he speak generally that he would like to have contracts with the Government?—Yes.

3928. Did he speak to you then about any arrangement in connection with your liability about the paper?—Not at all. I would have spoken to Mr. Chapleau if it had been mentioned to me at the time.

3929. Well you did mention it to me sometime afterwards?—A long time afterwards.

3930. What do you mean by a long time?—One or two months.

3931. Did I appear to show that I was cognizant of anything of the kind, or did I say anything to lead you to believe the contrary, what did I do—did I appear to be cognizant of your arrangement when you spoke to me?—Not at all.

3932. When you spoke to me about the paper, what was my attitude?—You looked angry and you said, that you would never consent to the arrangement.

3933. And then a few weeks after you had spoken to me was the arrangement with Mr. Young?—A month or two. I should say a couple of months.

3934. Did you ever ask for an order at any time after that?—No, never neither for him or anyone else.

3935. When you went to the Canada Paper Co. was it not after you had quarrelled with Mr. Young over the supply of your paper?—Yes.

3936. And you wanted to find somebody else because you could not agree with him or rather you could not obtain from him the paper that you wanted?—That is so.

3937. The notes were given and my endorsing was on the notes?—Yes.

3938. I think I heard you say—I do not think I was mistaken—that when Mr. Young spoke to you about the sale of the paper, you had forgotten that there had been any question about it?—Yes.

3939. Did you ever attach any importance to that arrangement between you and myself?—Never, I never expected to receive a cent of commission.

3940. You were sued by Mr. Young?—Yes.

3941. The company of *La Presse* was sued by Mr. Young?—Yes.

3942. And I think the action was withdrawn against *La Presse* afterwards?—Yes.

3943. When you were sued by Mr. Young you were sued for a certain amount of money?—Yes.

3944. You gave instructions to your counsel to defend your case?—Yes.

3945. Did you ever instruct your counsel that he would have a right to claim a share of the profits?—Which profits?

3946. A share of the profits?—I do not remember.

3947. Have you given instructions to your lawyers to claim anything?—Not at all. In order to ascertain whether there had been any profits I questioned Mr. Young when he was examined as a witness.

3948. Was that question ruled out of order?—He admitted that he had made profits.
3949. Was the question ruled out of order?—I do not remember.
3950. You do not remember whether it was ruled out of order, because it was neither in the demand nor in the defence?—I do not remember.
3951. He answered at all events?—Yes.
3952. When you went to the Canada Paper Company you made only a transfer of your liabilities from one company to the other?—Yes.
3953. You said that Mr. McFarlane did not know what you were to do with the money?—Yes, Mr. McFarlane agreed to let me have the money: he discounted my notes and gave me the proceeds.
3954. He discounted your notes and paid the proceeds at once?—Yes.
3955. Anything else?—That is the whole transaction.
3956. You said that I bought from Mr. Ouimet and from the firm of Nantel & Co., the old firm of *La Presse*, and they owed money to the New England Paper Company, and I agreed as part of the payment to take liability of the paper and be responsible for the debts. It was part of the payment for the purchase of the paper?—Yes.
3957. Then you went to see Mr. Young and told him that Mr. Chapleau was liable with Mr. Ouimet and asked him if he would take your notes with Mr. Chapleau?—I do not know that Mr. Ouimet had anything to do with it.
3958. Do you know that at the beginning he had and then he withdrew?—I knew it only so far as the plant was concerned.
3959. It was only over the plant that Mr. Ouimet was joint proprietor with me?—Yes.
3960. You knew that Mr. Ouimet and I were joint proprietors of the plant?—Yes.
3961. And Mr. Young said to you that the old firm was not in very good circumstances?—Yes, it was not.
3962. And he said that if you would take my liability you may make arrangement with me and take the responsibility?—Yes.
3963. There has been said in this inquiry that information has been had, that you were a bankrupt—are you a bankrupt?—No.
3964. The counsel for the prosecution said it was so?—Never. It is the first time I have been insulted in that way.
3965. Mr. Lister did not say so himself, he said he had been told so?—It is not the case.
3966. How much is your establishment worth?—What would you consider the value of your property to be?—\$70,000.
3967. What profits have you made?—Over \$13,000.
3968. And you own real estate besides that?—Yes.
3969. You own three houses in Montreal?—Yes.
3970. And have you stock in any other company?—I have \$4,000 in another company, and I am co-proprietor of *Le Monde Illustré*.
3971. Is it published by yourself alone?—No; I am part proprietor.
3972. You are proprietor of part of the property of that firm?—One-half.
3973. What would its value be?—\$18,000 to \$20,000.
3974. What would you consider to be the market value for your outgoing?—It would be \$7,000 or \$8,000 in *Le Monde Illustré*.
3975. Have you some share or stock in the Gobeil Co.?—\$4,000.
3976. I am sorry to have to go into your assets in this way, but I understand that you have other moneys out?—I have \$14,000 out in promissory notes.
3977. All to solvent people?—Yes, all of them solvent and paying interest regularly. They bring me in \$400 a month.
3978. You are a printer by trade?—Yes, sir.
3979. You are a practical printer?—Yes, sir.
- 39-0. How long have you been in the printing business?—Twenty-eight years.

3981. You know something about presses?—I think so.
3982. Have you yourself bought lately a press of some value?—Yes, I bought an American rotary press recently, which cost me, I think, over \$10,000.
3983. Have you visited the Printing Bureau here?—No.
3984. You have never visited it?—Never.
3985. You have heard, I suppose, of the Potter presses?—Yes, I know them.
3986. They are not presses for newspapers?—No.
3987. Are they what is called easy going, easily repaired presses. Is not that the reputation they have in the trade?—They are of very high reputation.
3988. Do you think that a notarial deed is better than a note? It is considered so in our country?—I think so.
3989. And the establishment is responsible for that money is it not—for the payment of my lease.
3990. And if you did not pay me I would have the right to enter your property and take it for myself?—Yes.
3991. Is it not a fact that our arrangement is this: “I think we made a calculation exactly for the period for which the purchase was made and what the cost would be for the paper, both the good will and plant?—Yes, sir.
3992. Do you recollect that after having made the calculations between ourselves, I said, “Mr. Berthiaume, I agree to give the whole establishment to you, if you want to take it, work it, and we will sign a private note to pay me 5 per cent for three months?—That is true.
3993. So that all you have to do is to pay 5 per cent on the capital stock I have in that establishment, and if during the course of ten years you pay me according to agreement, you become the sole owner of that establishment?—Yes sir.
3994. If an agreement had been made by which Mr. Young received the whole amount of those notes, would I have profited by a single cent? What difference would that have made to me?—I don't see any. I don't think it would have made any difference because you had nothing to do with the payment of those notes.
3995. If it would have benefited anybody it would have benefited you?—Yes, sir.
3996. Even if it had benefited you to the extent of \$10,000, would I have benefited by it to a single cent myself?—Not a cent.
3997. The notes were payable every three months at the rate of 5 per cent per annum?—5 per cent per year.
3998. I think I am obliged besides that to pay part towards the Editorial staff?—Yes.
3999. How much?—\$500 a year, I think.

By Mr. Bergeron :

4000. Do you know whether since you have had anything to do with the New England Paper Company, they have sold to the Government more than once?—I never enquired; I never knew.
4001. That transaction upon which there was \$100 profit, is the only one you know of?—Yes.
4002. When you spoke to Mr. Chapleau with reference to this transaction that took place between the New England Paper Co. and the Government, was it before or after you had made a bargain with Mr. Young?—Before.
4003. And it was after that, the agreement was made between Young and you?—It was afterwards.
4004. And that clause was put into the contract at whose suggestion?—Of Mr Young himself. I thought he did it to show his gratitude for the order I had obtained.
4005. And it was obtained before that?—That is why I remember it.
4006. Since then the New England Paper Company, to your knowledge never sold any paper to the Government?—Never to my knowledge.

4007. And you did not get a cent out of that profit of \$100, which you heard of in Court?—No, sir; not a cent.

By Sir Richard Cartwright :

4008. I understood you to say that you valued the *La Presse* establishment at \$70,000?—Yes, sir.

4009. And also understood you to say that you have obtained the virtual control of this establishment, worth \$70,000 under that agreement, by which you paid simply \$500 down within one month?—I assumed all the indebtedness.

4010. Yes, I know, but the actual payment that passed was just \$500?—The paper was not worth \$70,000 at that time.

4011. Do you say the value has improved under your management?—The circulation increased one-third and the advertising two-thirds since.

By Mr. Bergeron :

4012. Since so much has been said connecting Mr. Chapleau's name with your newspaper, may I ask if you have had any patronage from the Government since you published that paper?—No; but advertisements like other papers for small amounts.

4013. No jobs?—I ask for them often. I copy occasionally from other papers and they do not acknowledge my claims upon them.

By Mr. Chapleau :

4014. Did I ever give you any patronage from the Government in consideration of our arrangement in connection with that paper?—You never did, and I never asked for any for myself.

4015. Have I solicited for, or obtained for, you from the large railway companies job work or anything of that kind in consideration of our agreement?—No, sir.

4016. Have you had any subscriptions or contributions or donation made to you by any public contractor in the employ of the Government since the first day you have had that paper until now?—No.

By Mr. Bergeron :

4017. Have you ever subscribed to the elections?—Yes, very often.

By Mr. Lister :

4018. Do you know that in Mr. Chapleau's Department there is no printing patronage to speak of?—Yes, there must be some, but I don't know.

By Mr. Bergeron :

4019. You know that just now the preliminary voters' lists are being printed. Could not Mr. Chapleau, if he wanted to favour your paper, have called upon you to print the lists for the electoral districts around Montreal?—I think so.

ALBERT J. BROWN called, sworn and examined.

By Mr. Chapleau :

4020. I think you are counsel for Mr. Young, the President of the New England Paper Company?—I am.

4021. You have already been in attendance here?—I was here at Mr. Young's examination.

4022. Did you hear the evidence given at the last sitting of this Committee with regard to the Printing Bureau?—I did with regard to *La Presse*.

4023. You have heard it mentioned by the gentleman who conducts the inquiry that he was informed that a certain letter, purported to have been written by me to

Mr. Young, had been mentioned in the *enquête* between Mr. Young and Mr. Berthiaume?—There was no such letter mentioned—no such letter was either mentioned, produced or ruled out. I had charge of the case for Mr. Young in his suit between his company and the company which own the title of *La Presse*, and there was no such letter mentioned.

4024. If he had had a letter from me would it have been produced?—If there had been such a letter I would certainly have put it in. When he instructed me immediately after the breach of contract he told me he had nothing of the kind.

4025. I believe the action against *La Presse* has been discontinued?—No; it is still pending in the Superior Court. At present it is in Review.

4026. The suit has not been instituted in default of Mr. Berthiaume not having obtained contracts for the company from the Government?—No; it is because *La Presse* did not continue to take paper from the company. They broke the contract with the New England Paper Company, with the result that they had left on hand a large quantity which had been specially manufactured for *La Presse*. It is a special size for *La Presse*.

4027. You are sure there was no mention in the court of any letter of the kind?—I know there was not. I never heard of it until it was mentioned here.

By Mr. Bergeron :

4028. Was there a letter at all?—There was one letter produced from Mr. Young to Mr. Berthiaume. That was the only one that I heard of in the case. It was a letter from Mr. Young to Mr. Berthiaume, asking if the rumour was true that he had broken his contract with the New England Paper Company. It was written on the 25th February, 1890.

By Mr. Chapleau :

4029. Was there any mention made of a demand for damages for the non-fulfilling of the agreement, or for compensation for profits due in virtue of that clause agreed to between Mr. Young and Mr. Berthiaume?—No; when they commenced to ask Mr. Young questions on that point I objected on the ground that it was altogether outside the pleadings. The Judge let it in, under reserve though.

By Mr. Lister :

2030. Do you undertake to say that you have a distinct recollection of what took place at that trial?—I have. I argued the case in review on the 27th June. I was present throughout the entire trial and knew the case almost by heart.

4031. Was there not some question about a letter being ruled out?—Not that I have any recollection of.

4032. Will you swear that Mr. Young did not say in the witness box, I have a letter here which will show what the company has done?—I will swear that I have no recollection of any such letter. I know this much, that if there had been such a letter I must have known it.

4033. I will tell you what the statement is which is made by a person who was in court and heard the trial. The question of a letter came up—not this letter you speak of, but the question of a letter to fasten the liability on *La Presse*. The moment that came up, the lawyers on both sides objected and the Judge ruled it out?—There was nothing of that kind.

4034. To what firm do you belong?—To the firm of Chapleau, Hall, Nichols & Brown.

4035. To the firm of the Secretary of State?—Mr. Chapleau's name appears in the firm.

3036. It would have been rather unfortunate to have such a letter come before the court?—I certainly should not have kept it out, if there had been such a letter, because it would have made an obligation between the two parties to the suit.

4037. And ruined your senior partner?—Well, there was no such letter. There was no such letter produced bearing Mr. Chapleau's signature. Nothing could have been produced without my knowing it.

4038. Was there no alteration at all about a letter which Mr. Young was about to produce?—There was not.

4039. You are distinct about that?—I say there was never any question of producing a letter fixing any liability on the company or any letter bearing Mr. Chapleau's signature either at the trial or at any other time, and I know, because I have had charge of the case from the beginning.

4040. Was there anything said at the trial about the division of the profits under the terms of the contract?—There was.

4041. What was it?—Mr. Young gave certain evidence. He was questioned as to the division of the profits under that clause. He stated that there were profits amounting to, in the neighbourhood of \$100. It might be more, it might be less. It might be \$75 or \$125. I cannot give the exact figure. He stated that he offered to pay Mr. Berthiaume whatever it was, but that gentleman would not take it because it was too small.

4042. That was all?—No, just at that point there was a small amount of evidence struck out of the record.

4043. What was that?—To the effect—as I remember the words—he said without mentioning the name, and I do not know who the party referred to was, “he came to my office and stated that he could procure large contracts from the Government for me and that the profits would be such that he would be able to pay off those notes without putting his hands into his pocket.” That is in effect what was stated, and it was struck out. It was struck out on the application of the counsel for the defence, with the consent of the Judge, as it had no bearing on the case. I was asked if I had any objection, and I said I had not.

4044. Do you know whether the “he” mentioned referred to Mr. Berthiaume?—That was my impression. I was not, however, led to believe that he had any interview with Mr. Chapleau at all.

GEORGE COX called, sworn and examined :—

By Mr. Lister :

4045. You live in the City of Ottawa?—Yes, sir.

4046. And I believe you occupy some position, as President or otherwise, of the Conservative Association; or did a year ago?—Yes.

4047. I want to ask you whether the irregularities of Senécal came in any way to your knowledge about a year ago; that is to say, his custom of charging people who were dealing with the Bureau commissions, or collecting money on all sales made to the Government in connection with the Bureau?—I heard so simply as a rumor.

4048. Did you gather together facts and lay them before Sir John Macdonald?—I did not.

4049. Did you charge the Department with improper dealing with customers?—I did not.

4050. Did you have any interview with Sir John Macdonald about this matter?—I did. I reported it to him just as I heard it—the different reports on the streets in reference to it.

4051. How long ago would that be?—I think somewhere about September last; about this month last year.

4052. You heard reports of what?—That there was a system of commissions carried on by which people were charged commissions who sold goods to the Bureau.

4053. Did you ask that an investigation should take place?—No; I simply called his attention to the fact.

4054. Where did you see him?—At his own house.
 4055. Did you go there for the purpose of specially seeing him?—It was to see him, but not specially on that account.
 4056. Did others go with you?—No.
 4057. Had you that purpose in your mind when you went there?—Partly.
 4058. Did you have any lengthened conversation over it?—Not lengthened.
 4059. Was any promise made to investigate it?—No.
 4060. You simply told him that these were rumours that had come to your notice, that Mr. Senécal was in the habit of collecting commissions from people who sold goods to the Department?—Yes.
 4061. Did you claim that it was an improper thing?—I said that very unpleasant reports were coming to me both with regard to Mr. Senécal and Mr. Bronskill, which I thought Sir John ought to know of. That would be about a year ago.

The Committee then adjourned.

COMMITTEE ROOM, THURSDAY, 17th September, 1891.

Committee met—Mr. WALLACE in the Chair.

Mr. LISTER—I put in this account:—

(Exhibit No. 16.)

MONTHLY STATEMENT.

MONTREAL, October 2nd, 1889.

Mr. T. Berthiaume, City,
 P. O. Box, 1307.

CR. To New England Paper Co., Dr.
 21 & 23 De Bresoles St.

Oct. 2...By Cash.....	\$ 2,000 00
do 2... Note, 2 months.....	1,788 22
do 2... do 3 do	1,798 52
do 2... do 4 do	1,803 88
do 2... do 5 do	1,819 14
do 2... do 6 do	1,829 46
	\$ 11,044 22

Signed by T. Berthiaume, endorsed by Hon. J. A. Chapleau.

DR.

To amount due us by Wurtele & Co.....	\$ 10,838 01
Interest on \$1,767.60, 2 months.....	20 62
do 1,767.60, 3 do	30 92
do 1,767.60, 4 do	41 28
do 1,767.60, 5 do	51 54
do 1,767.60, 6 do	61 85

\$ 11,044 22

Settled as above stated, 2—10—89.

New England Paper Co.

A. M. P.

HARRISON B. YOUNG,

Treasurer.

I put that in for the purpose of showing the date of the agreement between the New England Paper Company and Berthiaume.

THOMAS A. SCOTT re-called, sworn and further examined:—

By Mr. Lister :

4062. You were examined some days ago in this matter?—Yes.

4063. But at that examination I omitted to ask a few questions which I think are material. I produce two notes, one dated 15th July, 1887, and the other dated 1st September of the same year for \$125 and \$200 respectively, made by A. Senécal in favour of P. A. Crossby. Are these the two notes you had reference to when you were examined on the last occasion?—I believe they are. They are in my hand-writing, anyway.

4064. I produce five cheques dated 23rd August, 1888, 20th September, 1889, 10th July, 1889, 8th April, 1890 and 19th April, 1888. Will you look at those cheques and say whether or not these are the cheques that were in the envelope given to Mr. Crossby at the time you mentioned, or of which he took possession?—I believe they are.

4065. Are you able to say whether these are all the cheques that were given by the Dominion Type Foundry?—I cannot say. I know there is one cheque that I have not seen.

4066. Do you remember when that cheque was drawn to Senécal?—I did not say it was to Senécal. I say there was one cheque in that parcel when I saw it last that is not there.

4067. What cheque was that?—The \$1,500.

4068. Then the notes and cheques here are all the notes and cheques that were in that parcel?—To the best of my knowledge, yes.

4069. Do you remember a cheque being given to Senécal for \$150?—I do not, unless it is amongst that lot.

4070. Do you remember a cheque coming into your possession, or into the possession of the company, endorsed by Senécal and Hon. Mr. Chapleau?—No; I do not.

4071. Have you any knowledge of such cheque?—I have not.

4072. Were you ever told about such a cheque?—No, I never have been.

4073. Never heard anything about it?—No, except what I read in Mr. Crossby's evidence the other day. I think I read in the paper that he was asked if such a cheque existed and he said no.

4074. Do you know anything about such a cheque at all?—I do not.

4075. You never stated to anybody that there was a cheque for \$150, drawn by the Montreal Type Foundry in favour of Mr. Chapleau?—No, I never did.

4076. The morning of the Napierville election? Just think about it?—No, I never stated there was a cheque drawn in favour of Mr. Chapleau in my life.

4077. Did you state there was one drawn in favour of Mr. Senécal and endorsed by Mr. Senécal and Mr. Chapleau?—No.

4078. Was there ever to your knowledge such a cheque drawn?—Not to my knowledge.

4079. Were you told there was such a cheque by anyone in the business?—I have no recollection of being told so.

4080. When Mr. Senécal made this demand upon your company for so much money, what reason did he give?—He wanted money. He was hard up, had payments to make, and said we were not using him as well as other people.

4081. Did he give as a reason that he had to divide with anybody?—On one occasion. At one conversation that I had with Senécal I asked him why he was asking so much, and he told me he did not keep all of it himself. He did not say who the other person was he divided up with. Of course I don't know whether he was lying or not, but just as likely he was.

4082. He mentioned no name?—He mentioned no name. That is all he said; that was in private conversation between him and myself.

4083. And you have never stated to any person the name of the person he said he had to divide with?—No, he never told me any person; he never mentioned any name to me.

4084. Were you present when this cheque for \$1,500 was delivered?—I was not.

4085. The cheque is in your handwriting, I believe?—I can tell as soon as I look at it.

4086. Look at it, please?—Yes, that is my hand-writing.

4087. At whose request was this cheque drawn?—It was drawn at the request of the President of the Company, Mr. Alexander Murray.

4088. How was it charged up in your books?—The amount was charged to discount account.

4089. Do you know how the cheque came to leave your office?—I do not. I did not see it after I laid it on Mr. Murray's desk until I got it from the bank. I did not see it from the time it left my hands—from the time I wrote it out.

4090. And you say you never saw, as a matter of fact, that cheque made by your firm, or any member of it, for \$150, in favour of Mr. Chapleau, or in favour of Mr. Senécal?—No, I never did.

By Mr. Chapleau :

4091. You said, I think, that the late President of the company had received a letter from me, saying, or purporting to say, that the order if given by Mr. Senécal alone was valueless? I think you stated that in your evidence?—I did, yes.

4092. You never saw that letter, I suppose?—I did not.

4093. It was a conversation you had with Mr. Murray?—No; the way I came to hear of the matter at all was by writing Mr. Murray's answer to the letter he received.

4094. The letter you wrote was written to me I think?—Written to you, yes.

4095. That was an official letter, I believe; it was not a private letter?—It was addressed to you as Secretary of State.

By Mr. Taylor :

4096. You say you were requested to make out that cheque by the late Mr. Murray?—I was, yes.

4097. Mr. Murray was a Liberal in politics, was he not?—He was.

4098. And you belong also to that political party?—I do not; I am a Conservative.

4099. Did Mr. Murray say for what purpose that cheque was being used?—I had no conversation with Mr. Murray on the subject whatever.

4100. I think you said here the other day that it was "blood money"?—I looked upon it as such.

4101. And you do not know what he did with the cheque?—The cheque went to the man it was made payable to; it is endorsed by him.

4102. How do you know it went to him?—It was endorsed by him.

4103. You do not know that he got the money?—There was no other person that I am aware of.

4004. You do not know to what party Mr. Murray gave the proceeds of that cheque?—I do not.

By Mr. Lister :

4105. Mr. Murray was a Reformer, was he?—He was.

4106. And he had to bleed for Tory politics?—That is what he said, I believe.

4107. The cheque is endorsed by F. Benoit, and made payable to F. Benoit, President?—Made payable to François Benoit, and endorsed District Savings Bank as well.

4108. That is Mr. Benoit's name on the back?—It is.

By Mr. Coatsworth :

4109. Do you know Benoit's signature, or do you presume that is it?—The bank certifies to it.

4110. Then you only presume it is his signature?—Yes.

4111. It is mere surmise on your part where the funds went to?—I have no idea where they went to.

By Mr. Chapleau :

4112. Do you remember the date of that letter?—Which letter is that?

4113. The letter you wrote on behalf of Mr. Murray to me. Was it in the latter part of 1887 or the beginning of 1888?—I think it was in the latter part of December, 1887. If I don't mistake the date, it was the 13th or 15th December.

By Mr. Lister :

4114. Do you know whether more than one letter was written to the Secretary of State about this matter?—I do not know; I only wrote one.

By Mr. Chapleau :

4115. You wrote no others on that day?—None on that day.

By Mr. Lister :

4116. You say after this cheque was given there was no more trouble?—Well, we had shipped the type before that cheque was given.

4117. And it was accepted?—Yes; it was shipped on the 5th January, I believe.

4118. It was shipped on the 5th January and it was accepted by Mr. Senécal? This cheque is dated 12th January, is it not?—Yes; it is the same day as we received a cheque from the Government.

4119. Is the 12th January the same day you received a cheque from the Government?—12th January.

4120. How much did you receive from the Government on the 12th January, 1888?—I think it was a cheque for \$5,000, on account of some \$6,000 of material delivered.

4121. And out of \$5,000 you gave \$1,500?—That is the cheque for \$1,500.

By Mr. Taylor :

4122. Then, do you correct the evidence you gave the other day? I think you stated the other day you could not ship any type until that \$1,500 cheque was extracted as "blood money"?—I stated the other day I could not remember dates or events in the order in which they occurred; I was speaking from memory altogether. That corrects my evidence.

By Mr. Chapleau :

4123. When did you ship the type?—I think on the 5th January; either the 5th or 7th.

By Mr. Taylor :

4124. Then it was shipped before that cheque was received?—It was.

By Mr. Lister :

4125. You made that cheque after you received the \$5,000?—Yes.

By Mr. Taylor :

4126. You made out the cheque at the request of Mr. Murray, the president of the company, on the date of that cheque?—On the date of that cheque.

4127. And that was long after the goods had been shipped?—It was a week after.

By Mr. Chapleau :

4128. I think you are constantly at your office?—Generally, yes.

4129. Your business requires you to be inside and not outside?—Well, I have gone away on business for the company, but never for any length of time.

4130. I ask you whether from 1887 up to the present time you have ever seen me in the office of your establishment?—I never have.

4131. Have you ever seen me in conversation with any one of the firm in your establishment?—I don't think I ever have, not to my recollection.

4132. Did I ever ask you or did you ever hear anybody mention that to anybody that I had ever asked a single dollar of a subscription myself?—I never heard any names mentioned with regard to asking subscriptions.

By Mr. Foster :

4133. You said to Mr. Lister that the cheque for Mr. Benoit for \$1,500 was paid out of that money, what do you mean by that?—Out of the \$5,000, that we received from the Government—that they gave to us upon account of type.

4134. You received \$5,000, and I suppose that was deposited in the bank?—It was.

4135. And your cheque was on the same bank?—Yes, on the Bank of Montreal.

4136. And I suppose you have deposits there?—Yes.

4137. Why do you say that this \$1,500 went out of that \$5,000, recognizing as you do, that you had deposits in the bank to draw your cheques against?—Well, that money was paid into the bank.

4138. Had you not enough funds in the bank to pay this \$1,500 cheque without the \$5,000 that you got from the Government?—I do not think that is a proper question.

4139. I want to know if you had not funds sufficient in the bank before the \$5,000 was deposited to meet that cheque for \$1,500?—There may have been funds enough in the bank.

4140. Sufficient to pay this?—There may have been.

By Mr. Lister :

4141. The truth of the matter is that you got the cheque and deposited it in the bank, and after you got this cheque you drew this cheque for \$1,500?—Yes.

4142. That is the whole story?—Yes.

FRANÇOIS BENOIT called, sworn and examined :—

By Mr. Lister :

4143. Where do you live, Mr. Benoit?—I desire to be heard in French.

4144. Will you understand my questions in English?—Yes.

(Mr. Hayes acting as interpreter.)

4145. I asked you where you lived, Mr. Benoit, where your residence is?—At Notre Dame des Neiges, Montreal.

4146. Where were you living on the 12th January, 1888?—Montreal.

4147. How long had you been living at Montreal up to that time?—I was born in Montreal.

4148. How long did you live in Montreal after the 12th January, 1888, or how long is it since you left Montreal?—I left Montreal last spring.

4149. What was your business in Montreal at that time—the 12th January, 1888?—I was not in business.

Mr. CHAPLEAU—A gentleman at large?

4150. Had you been engaged in business at all for three or four years previous to that date?—No, sir.

4151. For ten years?—No, sir.

4152. Then you have never been engaged in business?—Yes; I was in business up to 1866, at that date I gave up business. I had enough to live on.

4153. You had enough to live on and therefore there was no necessity for continuing in business. I suppose at that time you became a politician?—No, sir.

4154. Did you take any part in politics?—I took part in elections, but I did so as an amateur in the Conservative Association.

4155. Then you have never been anything but an amateur?—Except that I was in business and that I was working for public institutions.

4156. I mean that you have never been anything but an amateur politician?—Understand it as you like, I was never myself an active politician.

4157. That is, you were never an active canvasser and never a candidate?—Yes; that is what I mean.

4158. But you held a more important position and that was looking after the money?—I looked after the interests of the party.

4159. You were President of something in 1888?—I was President of the Conservative Association for the district of Montreal.

4160. And may I ask how many counties or constituencies there are in the district of Montreal?—35.

4161. Then you were president of that Association?—Yes.

4162. Pretty important? An association that controlled the Conservative interest in those 35 constituencies?—Yes.

4163. From that you see your position was a somewhat important one?—Yes.

4164. Were you the treasurer of the Association too?—No.

4165. Who was the treasurer?—Mr. Loranger.

4166. He was the treasurer in 1888?—Yes, sir.

4167. Will you look at that cheque, Mr. Benoit, and say whether you have ever seen it before?—Yes, sir. I saw it, for my endorsement shows that I saw it.

4168. You only recognize the cheque add can say that you have seen it, because your name is on the back of it?—Yes, sir.

4169. Is that the only reason?—Yes, sir, that is the only reason.

4170. Where did you get the cheque?—I received it at the office of the Conservative association.

4171. You received it at the office of the Conservative Association?—Yes.

4172. From whom did you receive it at that office?—I cannot tell you whether I received that cheque by mail or whether it was handed to me.

4173. Do you swear that you have no recollection at all of getting that cheque from any individual?—I do not understand you.

4174. Do you undertake to say that you have no recollection whatever of the person from whom you received that cheque?—Certainly I do.

4175. Who was it? That cheque is payable to you?—Yes.

4176. Were all cheques for the district of Montreal made payable to you?—That was the only one I received.

4177. How are all the other cheques made payable?—There were no other cheques that I received; it was always money.

4178. Had you a bank account for the Association?—No sir, I had no bank account for the Association.

4179. Was that cheque deposited and the money drawn out?—After having received the cheque I deposited it in my name and when I needed money I drew it out of that amount, being careful to keep a memorandum of it.

4180. Then that money was deposited to your credit?—Certainly.

4181. It was deposited to your credit and you chequed that money out?—Yes.

4182. But you were careful to keep a memorandum as to how it was disposed of?—No, not the way it was disposed of, but the amount I drew of that money.

4183. You kept a memorandum showing how the money was drawn?—I kept a memorandum of the amounts I expended out of that.

4184. Have you got that memorandum?—Oh, no.

4185. I suppose Mr. Benoit that you gave the greater portion of that to the Liberal party?—Well, no.

4186. Mr. Taylor implied that the Liberal Association got it. Was there a special committee of the Association appointed for the purpose of raising funds?—No, sir. We have enough friends to call on without that.

4187. But you went to a man who is not your friend, Mr. Murray.—I did not go to him.

4188. Whom did you go to, then, to get that cheque?—The cheque was handed to me at the office; either it came by post or was handed to me in the office.

4189. What other official was there in the office besides you?—You were the president; who was the secretary?—I was the secretary.

4190. Were you president and secretary?—Yes; at the beginning we had a secretary.

4191. Who was he?—It was Mr. Montpetit.

4192. What was his christian name?—André.

4193. What had Mr. Loranger to do with the Association?—He was the treasurer?

4194. He is dead?—He is dead.

4195. When did he die?—Last year, I think.

4196. Were their books kept by the Association?—No; there were no books kept.

4197. Did you get large sums of money?

Mr. FOSTER—I object to that question. *The Witness*—No.

4198. Do you know Mr. McIlroy?—No, sir.

4199. You never saw him that you know of?—No, sir; I do not know Mr. McIlroy.

4200. Then you know nothing about it, except that you got that cheque?—I know nothing about that cheque, except that I received it.

4201. And that the money was spent for political purposes, legitimately or illegitimately as you will?—Exactly; legitimately.

4202. The Conservative Association of the District of Montreal would not spend money any other way?—I am not used to business of that kind.

4203. You are not president now?—No, sir; I have enough to do without that.

By Mr. Chapleau :

4204. You say you never solicited that subscription. You never solicited any subscription at all?—Exactly.

4205. You were president of the Conservative Association and you have endorsed the cheque as president?—I want for my own satisfaction to declare specially that neither Mr. Chapleau or myself, or any directors of the Association ever had one cent of that money.

By Mr. Lister :

4206. Did you get the money?—Oh, yes; for the Association.

4207. It was rather hard on Mr. Murray?—I do not know.

By Mr. Chapleau :

4208. With regard to the duties you discharged as president and secretary of the Association, did you ever receive any salary or pay?—I worked for two years and a-half as president and secretary, and I have given all my time for nothing.

By Mr. Bergeron :

4209. Did not you subscribe to the election funds?—Certainly, I did.

By Mr. Lister :

4210. You gave your money and boarded yourself for two and a half years?—Certainly, I did.

GEORGE C. HOLLAND called, sworn and examined:—

By Mr. Lister :

4211. I believe you are a stenographer?—Yes.

4212. And you are the gentleman who took the evidence in the case of the New England Paper Company against Berthiaume?—I was one of either three or four reporters.

4213. Did you take the evidence of Mr. Young?—I took the evidence of two gentlemen named Young.

4214. I mean Mr. J Brooks Young?—I did.

4215. Will you produce that evidence?—(Evidence produced.)

4216. Please point it out to me?

Mr. FOSTER objected on the ground that Mr. Lister was not taking the proper way of introducing evidence which had been ruled out in the trial.

After discussion Mr. Holland was asked to stand aside for the present.

ODILON BEAUCHEMIN called, sworn and examined :—

By Mr. Lister :

4217. Where do you live?—In Montreal.

4218. What is your business?—I am a printer and bookseller.

4219. Have you had any dealings with the Department?—We made a few sales to the Department.

4220. Will you tell me how much these sales aggregated?—Between \$500 and \$600.

4221. To which branch of the Department were the sales made?—They were materials for bookbinding.

4222. Who purchased them from you?—Mr. Senécal.

4223. When was the purchase made?—During the whole time he was there. I had no time to take notes about it.

4224. The whole sales amounted to between \$500 and \$600?—Yes.

4225. Did you ever make Mr. Senécal any presents of money; loan him any, or give him any?—We gave him commission.

4226. How much did the commissions amount to? How much would there be on all the sales?—From \$80 to \$100 on the whole.

By Mr. Foster :

4227. Were the prices fixed for these materials before you made Mr. Senécal a present or was asked to make him the present?—They were the ordinary market prices.

4228. Had you made the sales before Mr. Senécal demanded and you promised to give a commission?—I promised him a commission.

4229. Before you made the sales to him?—After.

4230. Not before?—No.

4231. Were the prices at which you sold, influenced in any way by the commission you gave him?—No, and you can compare the prices with the market prices. The accounts are there.

By Mr. Chapleau :

4232. Have you considered that the prices paid were as small as the ordinary prices paid by merchants?—They were even lower than the market prices in wholesale dealing.

By Mr. Bergeron :

4233. Chiefly on what?—A lot of leather.

By Mr. Lister :

4234. You gave him about twenty per cent on his purchase?—On a lot of leather we gave him more than on other things.

4235. How much was the commission on leather?—On the whole we gave him about \$100.

By Mr. Chapleau :

4236. How much have you given him on that lot of leather?—\$85. It was an exceptional lot of leather which we had bought exceedingly low.

4237. The prices at which the Government bought were wholesale prices?—There is a binder here who can show that it was an exceedingly low price.

By Mr. Lister :

4238. How much leather did you sell to the Government? In the \$600 how much was leather?—I told you, \$85.

4239. That was commission. I want to know how much was leather?—Over \$300.

4240. How much over?—I cannot tell.

4241. Guess then?—About \$325.

4242. And that was for leather?—Yes; Morocco leather.

4243. And you paid \$85 commission?—Yes.

4244. That leather would have netted you \$240?—Yes.

4245. How long before you paid this \$85 commission had he been dealing with you—buying other goods?—About a year.

4246. Did he frequently buy from you?—Little things from time to time.

4247. And did you make any sale to him after the sale of leather?—Yes.

4248. Were they small things?—Well, I don't know, about \$50 to \$60 sometimes.

4249. When you made the first sale to Mr. Senecal did he say anything about commission?—Yes; he came to get his commission.

4250. Did he come to get it before or after he had bought from you?—After he had bought.

4251. So that at the time you sold to him you did not know that he was going to demand commission?—No.

4252. How much was the first sale?—About \$60.

4253. And you did not expect to pay any commission?—No.

4254. You never expected to do that and you sold the goods at a low figure?—Yes.

4255. The same as you would sell to anybody else?—Yes.

4256. You did not care whether the Government bought your goods or anybody else. You sold to all alike?—Yes.

4257. So that you sold to Mr. Senecal not knowing that you were to pay any commission at all?—I did not know that.

4258. How long was it after you made that first sale of \$50 or \$60 that he came to you to get commission?—I don't remember very well. I think it was the next year.

4259. Did he wait for a year?—To get commission?

4260. Yes.—Oh, he came three days afterwards.

4261. What did he say?—He said he wanted commission on his purchase.

4262. What did you say?—I said: "I have sold to you very low and I cannot give you any commission."

4263. Well, then, what was the upshot?—I told him: "I will give you a cash discount of 5 per cent."

4264. How much did he want?—He wanted 10.

4265. But you agreed after a little delay to give him a cash discount of 5 per cent?—Yes.

4266. So that instead of the Government getting 5 per cent he got it?—Yes.

4267. You knocked 5 per cent off?—Yes.

4268. Do you allow 5 per cent to your customers, generally, for cash?—Well, we allow 2½ per cent, but it depends upon the nature of the goods.

4269. Upon that class of goods would you have allowed 5 per cent to customers who paid you cash?—Generally on bookbinders' furniture we don't give any cash discount, we sell so low. We sell at net price.

4270. Why did you give this discount to him?—For a consideration; to get some more orders.

4271. So that you had sold to him at a low price, and you could not afford to give a discount, but you did give one at 5 per cent?—Yes.

4272. He wanted 10?—Yes.

4273. Did he say anything to you then, to the effect that you would have to pay him commission in future?—I don't remember.

4274. Try to remember?—Really I cannot remember.

4275. Was there not something said about his making it all right, and that he would buy more goods from you?—I thought he was leaving that impression.

4276. Nothing was said about future payments?—No.

4277. You are positive about that?—I am positive, sir.

4278. How long afterwards would it be that he came to purchase from you again?—He was coming three or four times every year, perhaps more; I don't remember.

4279. After he made the second purchase, was anything said about commission?—No.

4280. How much commission did you allow him at that time?—Perhaps 10; I don't remember. It depended upon the nature of the goods.

4281. But you afterwards only allowed him 5 per cent?—It depends upon the nature of the goods.

4282. What was the nature of the goods at the next purchase?—I don't remember.

4283. Did you allow him 10 per cent?—I remember giving him 10 per cent on one lot. But I don't remember them all.

4284. We have got two lots of goods. Did you sell him any more goods besides leather?—Yes; a lot of things.

4285. And was it for 10 per cent?—On leather?

4286. On any of the goods did you pay him less than 10 per cent?—I told you I paid 5 per cent.

4287. That was the first time. Did you pay it on any subsequent purchase?—I paid him 10 per cent sometimes; sometimes I paid him nothing.

4288. It must have been a very small order when you paid him nothing?—I paid him nothing.

4289. But you afterwards paid him 10 per cent when you did pay him commission?—10 per cent or nothing whatever.

4290. You say on this order of \$335 you gave him \$85?—Because it was a job.

4291. How much of a percentage would that be?—It would be about 25, I suppose.

4292. Was anything said at the time he bought that leather from you as to what you were to allow him?—I suppose he understood that he would have a good commission because it was a very cheap lot of leather.

4293. Was anything said about how much he was to get?—No.

4294. How long was it after you delivered the goods before you paid him any commission?—Four or five or six days; I don't remember.

4295. Did you pay him by cheque or in cash?—I think I paid him in cash, I don't remember well.

4296. Then you charged those goods at \$325 to the Government?—Yes.

4297. And that is the amount he paid you?—Yes.

4298. And you gave him back \$85?—As commission.

4299. Did he give you a cheque for it from the Department?—I received a cheque from the Department.

4300. Who gave you the cheque? Was it Mr. Senécal, or did you get it by mail?—I got it by mail in the ordinary way.

4301. How long after you got the cheque did you pay the \$85?—It was six days afterwards, I suppose.

4302. You would not get the cheque the first day, because you said it was five or six days after the purchase you paid him the money?—Yes.

4303. Now, you say it was five or six days after the sale you got the cheque?—He came after the cheque was received—five or six days after that time.

4304. And you paid him the \$85?—Yes.

4305. And that was the amount you had agreed to pay?—There was no agreement.

4306. How did you fix that amount?—I intended to give him commission.

4307. How did you fix \$85 as the commission he was to be paid?—Because he knew the price I paid for the leather; it was a special lot.

4308. And he was going to have all over that?—Yes.

4309. I suppose you would have sold it to anybody else for the price you paid for it?—Anybody would have bought it at that price.

4310. Would you have sold it for that price if it had not been Mr. Sénécal? Supposing a good dealer had gone there and offered \$240 for it?—I would not have sold it.

4311. You would rather take \$325 from the Government and give Mr. Sénécal \$85. Would you rather do that?—Yes, because he would give me some more orders.

4312. But if it was not for getting more orders you would not care?—No.

By Mr. Bergeron :

4313. How much did you sell that shagreen at?—Generally we sell it at \$30 ; it was exceptionally low.

4314. For what?—On the dozen. I paid \$20 for it.

W. C. ALLAN re-called and further examined:—

By Mr. Chapleau :

4315. You have heard Mr. Beauchemin give his evidence. He says that the leather was sold at \$20 to the Government? Was that an exceedingly cheap price?—Yes, it was an exceedingly cheap price. I paid \$24 for it.

JOHN LOVELL called, sworn and examined:—

By Mr. Chapleau :

4316. You are a printer by trade, I believe?—Yes.

4317. You have been so for many years, I understand?—Yes.

4318. How long have you been in business?—I have been in business since 1835.

4319. And you are still in business?—Yes. I went into business in 1824 or 1825.

4320. You are still in business, and you have, I think, two establishments, one at Montreal?—No, I have only one establishment, that is, in Montreal. I had another.

4321. You had another until lately?—Yes.

4322. You sold the one you had in the States?—Yes.

4323. Have you visited the printing and binding departments of the Government Printing Bureau?—Yes.

4324. When?—This morning.

4325. Have you examined thoroughly the whole establishment?—Well, I have looked at it generally. I did not examine it very closely. I think it is a credit to the country. I am speaking now of the whole establishment. I never in my life saw anything better laid out, and I have been in the best offices in London, England, in Edinburgh, Scotland, and in the United States, and I never saw anything to equal the Printing Bureau for order, system and anything pertaining to the arrangement of a Government Printing Bureau. I may say that I have had a great deal of experience. I know what Government work is, and I know what is required. I say without hesitation that the establishment here is something grand.

4326. Have you seen the arrangements that have been made for printing and keeping the voters' lists?—The type was shown to me in the columns to-day.

4327. Have you ascertained, or have you been ascertaining, what the number of pages are, that are kept in type for these voters' lists?—I have not, but from what I saw there, there must have been a great many in type.

4328. Have you seen in the establishment—in the Government Printing Bureau—the reserved type that has not been used, type that is simply kept in reserve?—No, sir.

4329. Well, it has been proved before the Committee that there is at the present moment 40,000 or 44,000 lbs. of type kept in reserve. You have had, I think, experience of the necessity of keeping a reserve. You are the publisher of a directory and it requires a large amount of type standing?—Yes. In publishing the Dominion Directory I had to keep 22,000 lbs. of minion standing before a sheet was printed.

4330. Well, Mr. Lovell, the question I want to ask you is this: It is a fact that the voters' lists that you have seen contain in each page between 17 and 20 lbs. of type. The number is 7,000 pages, and the increase has been last time over 1,700 pages on the new revision, taking that average of 1,700 new pages, would you consider that 40,000 lbs. of type in reserve would be a monstrous reserve?—I do not think it would be too much for that establishment. You see there are other classes of printing for which a large quantity of minion would be required—the tables and Sessional Papers are many of them in minion, and that would necessitate having a large quantity of that type. An office like that could not be conducted without an immense quantity of type in reserve. Parliament must have its work done, they cannot wait. I have had myself, as I say, 22,000 lbs. of type standing in a small office—small as compared with the establishment here.

4331. Would you consider 25 per cent reserve too much on the whole of the type used for that purpose?—No. Not upon certain quantities. The minion is used especially for a great many classes of work, and it is necessary to have a large stock of it, especially as it is used for the voters' lists. Minion, long primer and small pica would be largely called for in that establishment.

By Mr. Somerville :

4332. These are not used for the voters' lists?—No; I am speaking with what would be generally used in the establishment. In my opinion, small pica, long primer and minion would be largely in demand there.

By Mr. Chapleau :

4333. You know what the printing of the voters' lists means? You have an idea of it?—I have. I have printed them myself for some time.

4334. Do you consider that a reserve of 20 or 25 per cent of type would be an exaggeration of reserve?—No, sir.

By Mr. Lister :

4335. I suppose you do not know how much that nice establishment cost?—I have not the slightest idea, but I say it is a credit to the country. It is beautifully and systematically laid out. Work could be done there with great economy, I should think.

4336. You do not know I suppose that the inside of it cost \$280,000?—Well, sir, I do not think that would be out of the way.

4337. You think it is reasonable?—It would not be enough in my opinion. Look at the presses alone. It is the grandest sight I ever saw, to see the presses in that room. I have seen them in the old country but not to the extent and with the order and system I saw there to-day. It is really beautiful.

By Mr. Bergeron :

4338. The system is not bought with money?—If you had not the system you could not do the work. I do not think there is a bit of extravagance in that building as to order and system.

By Mr. Chanleau :

4339. Are you a Government contractor?—I was, to my sorrow.

By the Chairman :

4340. You are getting out a Directory I believe?—Yes, sir; and it would be a credit to you (pointing to Mr. Lister) if you were to subscribe for it.

The Committee then adjourned.

COMMITTEE ROOM, TUESDAY, 22nd September, 1891.

Sub-Committee met—Mr. SKINNER in the Chair.

Hon. PETER MITCHELL called, sworn and examined :—

By Mr. Lister :

4341. You are interested in the Montreal *Herald* Company, Mr. Mitchell?—Yes.

4342. Is it a joint stock company?—It is.

4343. What position do you occupy?—I occupy the position of president and hold the majority of the stock.

4344. You are president of the company and manager?—No, I am not manager. I am not paid for the management. I am only paid in connection with the stock. Mr. William H. White is the manager of the company.

4345. Will you state whether you had some time ago occasion to purchase presses for the company?—Yes, I had. We were fitting up our present establishment when it occurred to us in September, 1887, that it was necessary for us to buy a lot of new presses, which we did.

4346. From what company?—The Whitlock Company, through their agent, Mr. A. F. Ahlstrom.

4347. How many?—We bought four presses and a cutter at that time. Subsequently we found that we required another, and we got it from the same concern.

4348. Were they large presses?—They were 25 by 52, 27 by 39, 22 by 28, and I forget what the fourth press was.

4349. What were the prices?—\$2,150, \$1,600, \$1,150 and \$440, making in all \$5,340.

4350. Was the duty paid on them?—That was the price including the duty.

4351. Who paid the duty?—We paid the duty and had the amount deducted from the price.

4352. You negotiated with the agent of the company, Mr. A. F. Ahlstrom?—Yes; Mr. White, the manager, negotiated. I was present in my office and Mr. White came in to me and told me what he proposed doing. Personally, I know nothing of the value of presses, but Mr. White did. He knew the character of the presses and fixed the prices with Mr. Ahlstrom.

4353. The prices which you paid there, apart from the condition, was the net price paid in Montreal?—Yes.

4354. Now, after the delivery of the machinery had you any conversation with this gentleman respecting a commission or anything of the kind?—Yes.

Mr. Skinner objected to the admission of the conversation as evidence.

4355. Was anything said about commission?—Yes.

4356. What was said?—The man who sold the press after he had talked with Mr. White said something about it to me. Mr. White came to me and said: "I think we have got him down to the bottom price." I went with him, to the outer office where they were discussing this and preparing the contract. Mr. Ahlstrom turned around to me and said: "Who takes the commission in this case, do you take it yourself or have you a financial man in the establishment who takes it?" "What commission do you mean," I asked, "you told me that you had got down to the bottom price?" "So we have" he said "except that when we do business, even when we cut down to the bottom price, there is a commission. Of course we have got to the bottom price here." I said to him: "There is no body in this establishment who takes a commission with my knowledge, much less myself." He looked at me a little knowingly, and he said: "Don't you think you are a little wrong, this commission is a personal commission?" I said: "That may be, Mr. Ahlstrom, but

I don't think that kind of thing is done on this side of the line. It may be the custom in your country, but it is not done on this side of the line." "Oh," he said, "you are very much mistaken, the Printing Bureau at Ottawa did it." "Well," I said, "Mr. White, you just take the commission off the price we agreed to give—the discount or whatever you like to call it—and credit the *Herald* with it. Any advantage that is to be gained on commissions, I think, is due to the *Herald* Company, not to any of its employes who purchase goods." I was not purchasing myself, but Mr. White was doing it with my sanction as president.

4357. So that if after that you had got the price of the machines down to the lowest figure—?—What he said was the lowest figure

4358. He proposed to pay you a commission, and you insisted that that commission should be taken from what he said was the lowest figure?—And credited to the *Herald*. That is the amount taken off the price the *Herald* was to pay him for those machines.

4359. And that was done?—That was done.

4360. So that as a matter of fact you never got anything?—Never got anything, and I will state further, in justice to myself, that Mr. Dansereau was entirely wrong if he made that statement. He denied it to me after the interviews with me which appeared in the *Herald*. He crossed the street and overtook me, and said: "Mr. Mitchell, I am very sorry I did not see you before you published that statement." I said: "Why?" "Because" he said "what I am reported as having said before the Committee is not true." I said: "Mr. Dansereau, it was your duty when that came out to have at once put a correction in the *Gazette* and *Herald*, and other city papers, to prevent a wrong impression going abroad as to me. I never took commission in my life," I said, "for anything I ever purchased for the *Herald*. I performed my services for that office free and charged nothing on these outlays. If I had taken commissions, I might have been justified; the case is quite different from the subject before the Committee" I said, "I want you at once to give an explanation" and he did it.

4361. The point I want to get out is this: That if you had consented to have taken that commission yourself, the company of course would not have got the advantage of it?—Certainly not.

4362. They would have delivered the machines at the price you agreed to take them for under the contract?—Yes.

4363. But you refusing to take the commission, and insisting it should be deducted from the amount of the bill, it was done and the company got the advantage?—The company gained the advantage. Mr. Dansereau took a wrong impression. I met Mr. Dansereau during the sitting of this Committee, in the presence of two or three friends, and we got talking about this, and I said I bought presses from an American company—the Whitlock Company. He confounded it with the Hoe Company. We never had anything to do with Hoe at all. I bought the presses from the Whitlock Company and after we completed the bargain they offered me commission which I declined to take. I said: "If you can afford to pay commission you can afford to make a deduction in the price of the presses," and it was done. That is what I told Mr. Dansereau, and if Mr. Dansereau made the statement he did—which he afterwards denied to me—he gave a wrong impression of what took place.

4364. The point was that the company got the benefit of the commission that would have gone to you?—They got the benefit of it and necessarily in my opinion—

The CHAIRMAN. I do not think that unless asked for an opinion you ought to give it.

By Mr. Lister :

4365. You have had a great deal to do in this matter?—Not a great deal, I have had this dealing.

The CHAIRMAN objected to any opinion being given by the witness.

4366. Is it an opinion respecting commissions?—That is the idea.

4367. Can you state what the custom is?—I cannot state what the custom is but I state this, that if any man in my employ—

The CHAIRMAN objected.

Mr. LISTER. That is all the questions I have to ask.

The Sub-Committee then adjourned.

COMMITTEE ROOM,

THURSDAY, 24th September, 1891.

Committee met—Mr. WALLACE in the Chair.

JOHN R. BARBER called, sworn and examined:—

By Mr. Lister:

4368. I believe you are one of the proprietors of a paper mill?—Yes, sir.

4369. Where do you carry on business?—Georgetown.

4370. In the Province of Ontario?—Yes.

4371. Have you sold paper to the Government during the past few years?—Yes, I have sold to the Government for the past 30 years.

4372. Who have you been dealing with during the past four years?—The Stationery Department.

4373. With Mr. Bronskill?—Yes.

4374. Have you ever had any dealing with Mr. Senécal?—No, sir.

4375. Will you state to the Committee whether at any time during that period, or on any occasion or occasions during that period, you have made presents or paid commissions to any member of the Civil Service?—No, the only one that I had any connection with was when Mr. Perrot, a year ago, said he had been down to Mr. Bronskill's and had visited his family, that Mr. Bronskill was very anxious to send his wife to the seashore but could not afford it. He said: "I feel disposed to make up something and send it down to him. Will you take a hand in it. You have not much to do with the work but will you join me in it?" And I gave half of the hundred dollars he says he gave. I gave \$50 and he gave \$50.

4376. You gave \$50 out of \$100 he gave?—Out of the \$100 Mr. Perrot gave.

4377. Did you know him personally?—Well I had only known him since he was appointed, never before.

4378. Have you sold much paper to the Government since his appointment?—No, very little.

4379. Did you know him sufficiently well to make him a present of \$50?—Yes. I have known him since he came into the Department, something like three years ago. Up to three years ago, I had the House contract. When Mr. Bronskill came here I lost them, as he sent me nothing but what he could not get anywhere else. The Canada Paper Company got the most of the orders.

4380. Up to the time he took charge you had the contract for paper for the House?—Yes. I was supplying from \$30,000 to \$35,000 worth, but it has not come to \$2,000 since, except an order now and then.

4381. Do you blame Mr. Bronskill for the loss of it?—Well, I thought that he was partial to that firm—I do not know that he was, but that is the way I saw it. He came from the office of the *Gazette* in Montreal. I always thought that he was put here by Mr. White, a director of the Canada Paper Company. When his appointment was made I feared I would not get any more orders from the Government and I was not much disappointed.

4382. As a matter of fact you did not get any more orders that amounted to anything?—There were no orders except for some outside material that I could make a little better than the other mills, or my paper suited better.

4383. So that according to your statement up to the time Mr. Bronskill took charge of the Stationery Department you had received orders amounting to \$30,000 or to \$35,000?—Up to that time it was all done by contract; it was settled by the Members of the Committee.

4384. But afterwards it was taken away from you?—Afterwards it was taken away.

4385. And from the time Mr. Bronskill came in, the orders you received were small orders for paper you could manufacture better than other people.—That was all.

4386. And your feeling was that Bronskill was in some way to blame for it?—Well, I knew his sympathies were all with the parties who got him the situation—at least I judged that.

4387. You thought the Canada Paper Company was the favored institution?—Exactly, yes.

4388. How was it, in view of these facts, you came to give him \$50?—You see, I am president of the Barber & Ellis Company, and, of course, I was receiving a certain proportion of interest in any order that was given to the Company.

4389. Then it was because you were president of that company and received a proportion of the profits of paper that might be sold?—Not more than I sell—about \$2,000 worth a year to the Government.

4390. Did Mr. Bronskill know you contributed to that payment?—I don't know whether he does or not.

4391. Did Mr. Perrot say anything to him?—I don't know whether he did.

4392. How did Mr. Perrot come to you—Simply as a friend of Bronskill's?—He knew I was sending some paper down, and that I was president of the Barber & Ellis Company, and he asked me if I would join him and contribute a portion.

4393. Did he tell you he had contributed \$350?—No; I am speaking of the \$100 that was given.

4394. You were never asked, then, subsequently for any money by Mr. Perrot or anybody else?—No.

By Mr. Bowell :

4395. You said you formerly supplied the House with paper to a very large amount?—Yes, sir.

4396. That was done under contract received through the Printing Committee?—Yes.

4397. Are you aware that the supply of paper for the House subsequent to that contract, was also supplied under contract?—I believe so, yes.

4398. Then that being the case Mr. Bronskill would have nothing to do with it, would he? I don't want to defend Mr. Bronskill, but to put the matter right.—Paper is a very difficult thing to judge, you understand that, and a man who is favourably disposed to one man as against another, can easily see that Mill's samples are the best.

4399. What I want to get out is the fact that this paper was purchased under contract?—Certainly; except what I supplied to Mr. Bronskill was sent on an order for an outside line of blue paper or—

By Mr. Somerville :

4400. There may be another reason for the Government taking the contract from you. You have a suit against the Government for having given orders to parties for paper under your contract?—I have sued, but I do not think my proceedings in law had anything to do with my business with the Government in any way.

4401. Is the suit settled yet?—It is in appeal at present.

By Mr. Foster :

4402. You hope it will be soon?—Yes.

By Mr. Chapleau :

4403. You are a partner of a firm that manufactures envelopes?—Yes, sir.

4404. You had your little share of the Government patronage, I suppose?—Yes, I suppose so.

By Mr. Somerville :

4405. How much?—I think the line of envelopes ran up to \$20,000. It was a line that could not be furnished anywhere else.

By Mr. Bowell :

4406. You furnished them at the cheapest rate, I suppose?—Yes, we furnished them at the cheapest rate and it was a line better than anyone else could supply.

By Mr. Lister :

4407. The envelopes that you furnished were of a quality that could not be furnished by any other house?—Well there are two or three other houses, but as regards these envelopes they do not supply the line that we do.

C. S. J. PHILLIPS called, sworn and examined :—

By Mr. Lister :

4408. Are you a member of the firm of Morton, Phillips & Co.?—Yes.

4409-10. Have you had any dealings with the Printing Bureau and Stationery Department at Ottawa?—Yes, three or four years ago, we had a job we did for Mr. Senécal. We supplied a quantity of calendars for the Printing Bureau.

4411. About the Stationery Department?—So far as the Stationery Department is concerned the only thing we did was the Caligraph Writing Machine.

4412. How much did the calendars cost—what were you paid by Mr. Senécal?—I cannot tell you.

4413. Was that the only thing you ever did for Mr. Senécal?—The only thing.

4414. Were the printing calendars at a very large figure?—No. We got the order through my partner, Mr. Cameron, through Mr. Senécal. We had supplied some calendars for the Montreal Post Office and Mr. Senécal wanted them for the Printing Bureau. We had a few hundred, they could not amount to very much—it was a small affair.

4415. How long ago was that?—Three or four years ago—as far as I can remember.

4416. The arrangement was made with your partner?—Yes; with Mr. Cameron.

4417. Was Mr. Cameron a friend of Mr. Senécal's?—No, sir; he was acquainted with Mr. Senécal.

4418. Can you give no idea at all as to the price?—I do not think it would be more than \$50 or \$60, something of that kind.

4419. Do you know whether any commission was paid to Senécal?—There was not—no commission was paid.

4420. You say that somebody happened to see these calendars in the Post Office in Montreal?—Yes, and they wanted them for the Printing Bureau. We are in the habit of distributing a good many every year as they are wanted. We were rather surprised to get such an order.

4421. You say you sold to the Departments typewriters? To many of the Departments?—Only one, the Stationery Department.

4422. How many typewriters did you sell to the Department?—Six or eight probably, I do not know the exact number.

4423. I do not ask you to be strictly accurate?—Perhaps a dozen at the outside.

4424. With whom was the purchase negotiated?—It was negotiated through he agents.

2†—15½

4425. Who negotiated with you?—The order came from the Stationery Department—from Mr. Bronskill. They were generally supplied through agents who worked up the sale. One or two we worked up ourselves. We supplied the machines through Mr. Bronskill for the Stationery Department.

4426. Where did they go?—Some were for Quebec, and there was another for Winnipeg. We are not supposed to know where they went, but sometimes we sent them direct from our office to the place of destination.

4427. Your judgment is that you sold about a dozen?—Yes.

4428. Whatever bargain was made was with the agents?—No; it was made with us.

4429. Will you state whether you paid any commission to Mr. Bronskill for the typewriters?—No, sir.

4430. Was anything paid to anybody connected with the Department as a loan, gift or commission?—No, sir.

4431. No money whatever was paid to anybody?—Not a cent.

By Mr. Chapleau :

4432. You are aware that Mr. Bronskill having charge of the Stationery Department would supply all the other Departments with instruments like the typewriter?—Yes. The reason we know that is because we are the agents in eastern Ontario and Quebec and he could not buy them anywhere else.

4433. You are the agents?—We have a contract.

By Mr. Lister :

4434. What is the contract?—We had the contract for eastern Ontario and Quebec and this Government could not buy these machines except through us.

4435. You have the contract with the manufacturers for the supply of eastern Ontario and Quebec?—Yes.

4436. Now Mr. Phillips I want to ask you a question about another matter. Were you present during the trial of the case of the New England Paper Company vs. Berthiaume?—Yes sir, I was. I was summoned there as an expert to decide as to the quality of paper.

4437. Did you hear Mr. J. Brooks Young sworn?—Yes.

4438. Did you hear him say anything about the payment of commission to Berthiaume?—I did. I heard something of the kind, but I did not charge my mind with it, I was not interested. I was rather annoyed to be called up there, to have to attend and give evidence about a matter in which I was not interested, especially as I had no dealings with Mr. J. Brooks Young and do not want to have any.

4439. You cannot recollect what took place on that occasion?—There were some questions asked a witness in French about commission.

4440. Did you hear anything about a commission?—Yes.

4441. What was it?—I do not know, I could not charge my memory with it.

4442. Have you any recollection?—The recollection I have is very indistinct.

4443. Can you recollect what was said by the French witness?—He was asked some questions but I cannot recollect. I was not sufficiently interested to charge my memory with the matter.

4444. Then you are not in a position to state to us what was said?—I am not.

4445. I did not ask you to make an accurate statement?—There was something said about commissions, but it is so long ago, I cannot remember it. I cannot even tell you whether it was in the fall, winter or the early spring, I know it was in the cold weather, however, as I had to take off my overcoat and rubbers.

4446. You would be condemned on the same principle as Murphy because he did not know when he had paid the \$10,000?—Well, I do not know the exact time period, but I know it was a time when I had to wear overshoes. It must have been winter.

Mr. J. R. BARBER re-called and further examined:—

By Mr. White (Cardwell):

4447. In your examination a few moments ago, you swore that Mr. Richard White, Montreal, was a director of the Canada Paper Company?—I have never seen a list of the directors of the Canada Paper Company that I remember, but I have understood for years past that he was one of the directors.

4448. You do not know anything positive on the subject?—I do not.

4449. So that your statement under oath, so far as your knowledge goes, cannot be supported?—I was simply giving you what some person has told me.

By the Chairman:

4450. You did not say that in your evidence?—I said I understood he was a director of the Canada Paper Co. at that time.

By Mr. White (Cardwell):

4451. You said he was a Director. I have just seen the shorthand writer's notes, and you made the absolute statement?—I did not mean to make it, because I have not had any opportunity of seeing the list of directors of the Canada Paper Co., but I understood for years past Mr. White was one of them.

Mr. BOWELL—My recollection is that Mr. White when here swore that he was not a director of the Canada Paper Co. I may say to the Committee that I have showed Mr. Barber a telegram which I have just sent to Mr. White, asking him if he is a director now or ever was.

By Mr. Taylor:

4452. If Mr. White made the statement that he was not a director would you believe him?—Certainly.

By the Chairman:

4453. Then you desire to have your positive statement corrected?—Yes, as far as in the way of making a positive statement that Mr. White was a director of the Canada Paper Co. I simply understood that he was one and had been for years past.

JAMES JOHNSON, Commissioner of Customs, called, sworn and examined:—

By Mr. Lister:

4454. Have you taken the pains to find out the quantity of stuff in the way of printing presses purchased by the Government from Potter & Co. of New York?—I did not know that that was required.

4455. Do you know whether duty was paid upon the presses imported?—I do not.

By the Chairman:

4456. That is not the information you were asked to give. I understood it was in regard to the type?—Yes; on the question of type.

By Mr. Lister:

4457. Have you looked up the invoices as regards the type?—I looked up the invoices which are here, but I could not find anything at all relating to them, but invoices from a Toronto firm to the Department, which the customs have nothing to do with at all. Those invoices tell us nothing. What I required was the invoices of the type received from Edinburgh in order that I might know at what time, and what quantity of type was in dispute. I have nothing at all to tell me where to begin.

4458. Did you not take steps to find out whether duty was paid or not?—I telegraphed to the collector at Toronto to know whether Miller & Richards had entered any type on a free entry. I have his reply here.

By Mr. Bowell :

4459. Have you a copy of the telegram which you sent to him?—I did not bring it with me, but it was simply a question as to whether they had entered any type in 1890-91, before or since, on a free entry. This is the reply, "Neither type nor printing material have at any time been entered free by Miller & Richards at this port. Refunds allowed them on two entries in 1888, claim Nos. 9503 and 9740. John Small." I may say that these refunds have no reference at all to printing material or type. They were simply small matters of errors, the whole duty amounting to \$20.

By Mr. Hyman :

4460. What is the date of that telegram which you have just read?—The 17th of September.

Mr. CHAPLEAU—I have here a private letter which I have just received from Mr. Patterson, the representative of Miller & Richards. I cannot read the whole of it, but with the permission of the Committee I will read a portion which will throw light on this subject. He says: "You wired me the other day to know if I had paid duty on the type I supplied the Printing Bureau, and I replied that duty was paid on all goods sent from this warehouse, but the goods shipped direct from Edinburgh, in common with all other imported goods for the Government did not pay duty, but were delivered at Ottawa free of freight, insurance and all other charges. Mr. Lister will no doubt try to make a point out of the fact that duty was not paid on the minion, but the type was supplied at 40 cents per lb., which is 10 cents per lb. less than the regular price, and as duty is only paid on the trade price, it will not amount to more than 6 cents per lb., which will make the cost to the Government, plus the duty, 46 cents per lb., and which then is 4 cents lower than the regular market price that everyone else pays, while the type, on account of the superior metal we use, and the finish, costs a great deal more than the Canadian article."

WITNESS—I may say if the type was received by the Department and entered in Ottawa, it would necessarily be entered under a free entry.

By Mr. Lister :

4461. If it was invoiced to the Government? - Yes.

4462. So that if this type was invoiced direct to the Government from Edinburgh, from the sellers there, it would come in free?—Yes; that is provided for in the tariff.

By the Chairman :

4463. What are the conditions under which a man can enter goods free?—Simply that they must be articles for the use of the Government or any of the Departments and imported by themselves.

4464. If I took a contract from the Government to supply a number of articles here, and sent them to Ottawa direct from the old country to the Dominion Government, they would come in free of duty?—No; that would subject the contractors to prosecution for smuggling.

By Mr. Lister :

4465. That is precisely what was done in this instance?—That I do not know.

4466. Suppose there are two houses—one in Toronto and one in Edinburgh, and the contract is made with the Toronto house. Under those circumstances you say the goods would not come in free of duty?—No, sir.

4467. As a matter of fact the seller ought to pay the duty?—Yes—the importer.

4468. The man who sells or delivers it here?—Yes.

4469. Then if Mr. Patterson has sold to the Department, nothing being said about the payment of duty, and those goods came from a foreign country, then he ought to pay to the Government the duty?—Yes.

4470. And if that duty has not been paid, Mr. Patterson still owes to the Government that duty?—Certainly.

4471. And under the Customs law you could recover?—Yes.

4472. So far as the prices are concerned, if a contract was made for the sale of presses to the Government, nothing being said about the payment of duty, would they be liable for duty?—That depends entirely upon whether the presses were purchased directly by the Department. I do not know the history of these presses except from what I read in the papers, and that may be right or it may be wrong; but I took the impression from it that they were purchased by the Department through an Agent who was sent over. They would necessarily come here and be entered free.

4473. Then if Mr. Senécal went and purchased the presses for the Government they would have the right to come in free, the purchase being made in New York?—Yes.

4474. If they were to be delivered in Canada, how would that be?—That would make no difference with reference to the duty.

4475. That is to say, if the purchase was made direct by the Government there would be no duty?—It makes no difference what the nature or the terms of the purchase are.

4476. So the presses would come in free of duty?—Yes.

By Mr. Bowell :

4477. There is an invoice of Miller Richards & Co. to the Department of Public Printing dated at Toronto. Those goods should have paid duty, should they not?—This is not the invoice of the importer.

4478. On the general principle, I mean?—The Customs has nothing to do with that.

4479. If they are invoiced from Toronto to the Department here, the Customs would have nothing to do with it?—No.

By Mr. Lister :

4480. If the goods are in fact imported and are invoiced to the Government here from Toronto, surely they would have had to pay duty before the owner would get possession of them in Toronto. Suppose the type that is invoiced to the Government from Toronto had been purchased in Edinburgh and sent out to an Agent in Toronto, and invoiced from the Agent to the Government here, would not that type have to pay duty?—It would depend entirely upon the transaction with reference to the invoice from Toronto.

4481. Which transaction?—The importing of the article in question. The particular consignment of the article in question would depend entirely upon the transaction, whether it was between the parties in Edinburgh and the Government, or between the parties in Toronto and the parties in Edinburgh.

By Mr. Chapleau :

4482. If the goods were purchased in Edinburgh for the Government and shipped to Toronto there would be no duty paid?—No.

By Mr. Lister :

4483. But if it was shipped to the agent in Toronto and then sold by that agent to the Government in Ottawa, would it not pay duty?—Yes.

By Mr. Chapleau :

4484. What period does the telegram cover that you are putting before the Committee?—It covers 1888, 1889, 1890 and 1891.

4485. And there you say, by your officer in Toronto, that no type was brought into Toronto free of duty. That is to say, that all the type that was imported there must have paid duty unless it was smuggled?—That is the very question. If it did not pay duty it was smuggled.

4486. Your information, from your Department, is that during those three and a half or four years no type was imported into Toronto free of duty?—That is it.

4487. I suppose you do not know the manufacturing company of Miller & Richards, represented by Mr. Patterson in Toronto?—I do not know any of them.

4488. Did I understand you well to say, that if the transaction was, that the Government should buy a certain portion of the type from a firm which has a house in Toronto and a portion from the main house in Edinburgh, that part of the type coming from Toronto would be supposed to have paid duty going there? In buying from Toronto the Government must buy type that has paid duty going there?—Certainly.

4489. If a department of the Government should ask the house in Edinburgh to ship type direct for the Printing Bureau, would that pay duty?—A firm in Toronto?

4490. No, the house in Edinburgh?—I beg your pardon. I must understand the question distinctly. Do I understand you aright to say that if a firm in Toronto ordered from a firm in Edinburgh—

4491. No. If the Government ordered from a firm in Edinburgh, but represented by an agent here, would the article pay duty?—No.

By Mr. Hyman :

4492. To entitle an article to come in free the article must be purchased in a foreign market by the Government and be for the Government?—Yes.

4493. Read that portion of the Act?—“Articles imported by and for the use of the Dominion Government or any of the Departments thereof, or by and for the Senate and House of Commons, including the following articles when imported by the said Government or any of the Departments thereof, for the use of the Canadian Militia; arms, military clothing, musical instruments for the band, military stores and munitions of war,” these are all free.

GEORGE C. HOLLAND recalled and further examined:—

By Mr. Lister :

4494. When you were before the Committee the other day I asked you two or three formal questions which I will not now repeat. You were the stenographer who took the evidence in the case of the New England Paper Co. against Berthiaume?—I was.

4495. I ask you to produce the note of evidence and to see whether you were a sworn stenographer?—I was.

4496. You were sworn to truly take the evidence given by the witness?—Yes.

4497. I ask you now whether J. Brooks Young was one of the witnesses sworn at that trial?—He was.

4498. I ask you whether you truly and faithfully took the evidence given by him on trial?—I did.

4499. I asked you now to produce that evidence?—Here is the note book.

4500. This is the evidence taken by you of J. Brooks Young?—This book contains that with other depositions.

Filed as Exhibit No. 17.

4501. J. Brooks Young was sworn?—He was a sworn witness.

4502. I ask you now whether you gave that evidence to any person in the interest of the Government, or to any person who wished to ascertain what it amounted to?—I did.

4503. To whom?—Mr. Chapleau.

4504. I ask you now to read that evidence to this Committee?—Which part of it?

4505. All of it?

Mr. CHAPLEAU—I object, Mr. Chairman: The objection was raised the other day and I think it was left to your decision.

By Mr. Lister :

4506. You refused to let me know what was in the book?—That was subsequent to my being sworn.

4507. You have refused others?—I have.

4508. Mr. Chapleau is the only man you informed of its contents?—The only gentleman, and that was prior to my being sworn.

4509. It was after you knew you were to be heard as witness?—No, it was not. It was when the book was mailed to me from Montreal and before I knew I was to be a witness, when Mr. Urquhart was supposed to be a witness.

4510. But was it after I had been to you to find out if you had the book?—Yes.

4511. Then you told me that you and Mr. Urquhart had been in partnership?—Yes.

4512. And the book was in Montreal?—Yes.

4513. And you gave me the address of Mr. Urquhart?—Yes.

4514. You know I had a subpoena issued for him?—I knew it by the papers.

4515. Then you told me that Mr. Urquhart was very busy but he sent the book up here?—I told you that subsequently.

4516. Then it was after my conversation with you, respecting the production of that book before this Committee, that Mr. Chapleau saw you and ascertained what the evidence was?—I think so.

4517. Is there any doubt about it?—I am not quite sure of it.

4518. You have already stated it was after our conversation?—After the first conversation, certainly.

4519. Where did you show that book to Mr. Chapleau?—In the Senate at the end of the building.

4520. Did he go to your office?—No.

4521. Did you go to his office?—No.

4522. How did you come to show it to him?—I met him in the passage and he spoke to me about it.

4523. What did he say about it?—He asked me if I would read the evidence taken by Mr. J. Brooks Young.

4524. Was that all that he said?—That was all.

4525. Did you refuse to do it?—No, sir.

4526. Then where did you read the evidence to him?—I went to the Speaker's Room, as his foot was bad at the time, and read it there.

4527. You went to your office and got the evidence?—Yes.

4528. And you went from there to the Speaker's Room in the Senate, and read it over to him?—I did.

4529. Is there, or is there not, compromising matter in that evidence relating to Mr. Chapleau?—That is a legal question I am not competent to decide.

4530. It is not a legal question. I ask you again if there is not a statement made by Young, compromising deeply the Honourable Mr. Chapleau, in that testimony?—The evidence is here. If the Committee want it I will read it and let them judge. I am not competent to judge that point.

Mr. LISTER—I ask then that the evidence shall be read before this Committee, as the testimony of a man sworn in Montreal who has given evidence here, exculpating Mr. Chapleau.

By Mr. Chapleau :

4531. You were a stenographer in the case of James Brooks Young against Mr. Berthiaume, and I think the newspaper *La Presse*?—I was.

4532. Who were counsel in that case?—Mr. Brown, of Chapleau, Hall, Nicolls & Brown, was on one side.

4533. The firm of which I am the senior member?—Of which you are a member.

4534. They were counsel in that case?—Yes.

4535. Do you remember our conversation when I met you, that I told you I had spoken to Mr. Brown about it and wanted to know——?—You did.

4536. That I had spoken to Mr. Brown who was acting as counsel?—Yes.

4537. And I asked you whether you would read that part of the evidence to me and you did?—Yes.

4538. That was all?—That was all. May I make one further remark. Had Mr. Lister at that time, before I was sworn, come to me, and asked the same question I should have unhesitatingly read the same words over to him, but when the question was raised in the Committee and certain members of Parliament came to me afterwards to read it, I declined to do so until the Committee decided whether it was relative or not and to say whether I had to read it.

4539. I never applied to you to read it afterwards?—Never since.

4540. Is there in that suppressed evidence any mention at all of any letter written by Mr. Chapleau to Mr. Young?—Not the slightest.

Mr. MULOCK—I ask that the evidence be read.

A motion for the evidence to be read was put and defeated.

By Mr. Bergeron :

4541. If I understand rightly this portion of the evidence Mr. Lister has asked you to read was ruled out at the Court in Montreal?—Yes.

4542. Consequently it has not been read to Mr. Young?—No.

4543. And it has not been signed by Mr. Young?—(No answer.)

By Mr. Barron :

4544. These are your shorthand notes?—Yes.

4545. Taken in the case spoken of?—Yes.

4546. In what court?—The Superior Court of Montreal.

4547. Is it a practice in taking evidence in that Court that it is to be written out and then signed by the witness?—It is transcribed by the reporter and signed by him.

4548. By the reporter?—Yes.

4549. And it is signed by the reporter?—Yes.

4550. Certified by the reporter?—Yes.

4551. But is it signed by the witness himself?—No.

By Mr. Bergeron :

4552. Is it read to the witness?—Not in that Court.

By Mr. Taylor :

4553. You were in Court were you?—I was.

4554. You heard the question from lawyer to witness?—I did.

4555. There was a jury empannelled, was there?—No. I do not think it was a jury trial; I think the case was heard before the Judge.

4556. There were several lawyers engaged in it: can you name them?—I remember Mr. Brown.

4557. Mr. Brown who was here?—Yes.

4558. Who else?—Mr. White and Mr. Cornellier.

4559. Have you read the evidence that Mr. Young gave here the other day?—I have not.

4560. You have not read the evidence?—No.

4561. Were you here when he was examined?—No.

4562. And you do not know what Mr. Young said?—No.

4563. Can you corroborate or contradict this evidence?—No. I did not hear it or read it.

Mr. Bowell read the following telegram:—

MONTREAL, 24th September, 1891.

“Hon. Mr. BOWELL,
“Minister of Customs.

“Neither my brother, myself, any relative, or connection have now or ever had one dollar's interest in Canada Paper Co.; see my evidence before Public Accounts Committee a fortnight ago.

“RICHARD WHITE.”

The Committee then adjourned.

COMMITTEE ROOM, FRIDAY, 25th September, 1891.

Committee met—Mr. WALLACE in the Chair.

JOHN R. BARBER re-called, again sworn and further examined:—

By Mr. Mulock:

4564. You are aware of the nature of the dealings between your firm, through Mr. Ellis, yourself, or your traveller, and the Printing Bureau?—Yes, sir.

4565. You have heard of the demands made on your firm from time to time?—Yes.

4566. By Mr. Bronskill?—No, not by Mr. Bronskill.

4567. By whom then?—By Mr. Senécal.

4568. In connection with the purchase of goods from your firm?—Yes, sir.

4569. Did you ever inform any member of the Government of those demands?—When I was down here some time early this summer. I do not remember the exact date, but, I think, it was the latter part of April, the Honourable Mr. Bowell asked me to go to his room one evening to discuss certain private matters. We sat and talked for an hour and a half and, in the course of conversation, Mr. Bowell said he had heard that Senécal, the Superintendent of the Printing Bureau had been demanding commissions from people supplying him with goods. I told Mr. Bowell what I stated here yesterday. He said it was the first time he had known it as a positive fact. He was very much annoyed about it, and said he would take steps to have it stopped.

By Mr. Wood (Brockville):

4570. When do you say that was?—I think it was in April.

4571. Last April?—Yes.

By the Chairman:

4572. Was it before the House met?—Yes, the House was not in session at the time.

By Mr. Mulock:

4573. He said to you this was the first positive information he had received?—Yes, he said he had heard reports of that kind but had no information as to the positive fact.

4574. Did he say when he first heard the reports?—No.

By Mr. Chapleau:

4575. That was the latter part of April?—Yes, sir.

4576. You have read the evidence I suppose, given by your partner and your agent here?—Yes, sir.

4577. Had those payments anything to do in any way, and did they influence in any manner the prices paid by the Government for the articles bought from your

establishment?—No, for this reason. When we put in our first offer to Senécal he told us that we were tendering against other firms and that we must give the lowest prices for our goods. After we had given the prices he made the demand upon us for 10 per cent. Those prices applied to all subsequent purchases; he never allowed us to advance them. The 10 per cent came straight out of what we would have made. The Government never suffered the loss of \$1.

By Mr. Mulock :

4578. Do the prices of such goods change?—Very little. If after our first order we had not sent Mr. Perrott to the old country to get new prices the 10 per cent commission would have taken more than we got on the orders.

By Mr. Chapleau :

4579. Why was it that neither you, your partner or Mr. Perrott ever came and complained to me about that matter?—Well, for this reason; we did not know how serious it was. If Mr. Senécal had only been reprimanded after our complaint, instead of being dismissed, our connection with the Department would have closed; we would not have got any further orders.

4580. Do you think if he had been dismissed your account would have been carried on?—I think so, but not in the event of his only being reprimanded and remaining in charge of the Department.

4581. Did you never think of speaking to the Queen's Printer or to myself about it?—No. The Queen's Printer asked me one day—I think it was at the trial here, something about this. He asked me to tell him something about it. I thought, however, that under the circumstances a man in his position would be better not to know anything about it. I promised to go home and get all the facts and write them to him. That promise I did not keep and I did not intend to keep it.

4582. You were afraid you might lose your orders if you complained about Senécal?—That was it.

By Mr. Mulock :

4583. When was this conversation with Mr. Chamberlin?—About the time I had the conversation with Mr. Bowell.

By Mr. Wood (Brockville) :

4584. When was that conversation with Mr. Bowell?—The last time I was here—in April.

BROWN CHAMBERLIN recalled and further examined :—

By Mr. Mulock :

4585. You have just heard what Mr. Barber has stated?—Yes, sir.

4586. Do you confirm it?—Yes, sir.

4587. You saw Mr. Barber and asked him if he knew anything about Senécal levying commissions?—I asked him if he knew of any exactions by Senécal?

4588. Why did you see him?—Because it was in the air. It was going about, and as a result I tried to do my duty and get at the facts of the case. In every instance I was baffled as in the case of Mr. Barber.

4589. When did you hear that these rumours were in the air?—Some months before that.

4590. Do you know the first person who gave you that impression?—I cannot say.

4591. Can you give the name of any person who so informed you?—No; I really could not. It was mere street gossip. One or two friends of mine—I cannot recall their names now—said to me, "Are you allowing Senécal to do these things"? I tried to find out if there was anything in this gossip, but my efforts turned out a failure. I spoke about it to several people with whom the Department had dealings; they always denied it point blank; in fact some of them swore about it.

4592. How long had you been trying to find out before you applied to Mr. Barber?
—I could not say; maybe two or three months.

4593. But it was in the air?—It was in the air? These rumours were reaching me and distressing me very much, but I tried honestly to get at the bottom of the thing. I was baffled in every case in the same way as I was by Mr. Barber.

By Mr. Chapleau :

4594. Is it not a fact, Mr. Chamberlin, that I told you, if possible, to find out from any of those supplying the Department with goods if these reports were true? Yes, you gave me instructions so to ascertain.

4595. And the first opportunity when you saw Mr. Barber, you did ask him?—That was one case, but I asked others. For instance, I asked the agent of the Potter Press Co., and he said: "It is a damned lie; he never got a copper." That is the way I was met.

By Mr. Mulock :

4596. Then, you had conversations with Mr. Chapleau, the Secretary of State, in regard to these practices?—No doubt I had, because I am talking with him every day or two.

4597. These conversations were before the interview with Mr. Barber, last April?—I think they were.

By Mr. Somerville :

4598. Had you any conversation with Mr. Senécal about the matter?—Yes.

4599. What was the result of that conversation?—I said to him: "I have heard this gossip. Now, Mr. Senécal, whatever commercial people may do, a civil servant in taking a commission is a dead man officially. Put that down in your book."

4600. What reply did he make to that?—He said, "Bosh", and he went away.

4601. He denied it?—Yes, sir.

By Mr. Chapleau :

4602. Do you remember when I spoke to you and asked you to investigate this matter that you had mentioned to me, the only instance where Senécal said something had been given to him, viz., that he had borrowed a couple of hundred dollars from Mr. Crossby, when he was removing his family to Ottawa, he not having any money of his own and not receiving any indemnity for removal expenses?—I do not know anything about that. I know, however, that Crossby and he were on such terms which would not render a transaction of that kind unlikely, but I do not know whether it was the case or not.

MR. CHAPLEAU—Mr. Chairman, I wish to make a statement which I desire the shorthand writers to take down. The first time mention was made of the New England Paper Co.'s suit, I stated here that I did not know about the suit except from the time it had been mentioned here. I did not know that there was an action—so little do I belong to the firm of which I am the senior partner, that I did not know the action was taken. When mention was made, I said, I did not think that it had any relation to the matters before a committee of this kind—before the Committee on Public Accounts, unless I was myself to be *en cause* and accused, which would be a different proceeding from the proceedings of the Committee on Public Accounts. But I come to the question before us. At the time the witnesses were asked what had been said in that cause, what had been proved in that cause, a statement was made a couple of times by Mr. Lister here, that he could by the proceedings taken, before the Court, by the evidence which had been given, by the depositions which he asked the clerk to produce, show that I had done something which compromised me as a Minister. The statement that is now asked to be given by Mr. Holland as part of the stenographer's notes of the Superior Court of Montreal, which relates to evidence the Judge declared to be out of the case and ordered to be struck out. Mr. Lister declared that he could put on proof that I had given consent, for my personal benefit, to an agreement which had been made by Mr. Young in the contract

between him and Mr. Berthiaume. I repudiate the statement that anything of the kind has been done. I did not know what had been proved in the case, but I was sure that it could not be possible, unless perjury had been committed, for any such statement to have been made. Immediately after Mr. Lister had made that declaration I telegraphed and sent for my partner, Mr. Brown, the counsel in the suit for Mr. Young. He came here and I asked him questions with reference to the case. He told me that during the investigation that was made, Mr. Young was examined and stated that he had a conversation with Mr. Berthiaume, in which Mr. Berthiaume had told him—I do not know for what purpose—that he could get the contracts from the Government for Mr. Young; he, Mr. Young, said to him that the profits would be shared and that I (Mr. Chapleau) would have nothing to pay for the notes which had been given to the New England Paper Company. I immediately asked Mr. Brown "How can that be" because I had nothing to do with the notes except as an endorser. "That must have been a mistake in Mr. Young's evidence" answered Mr. Brown, "as I am sure he could not mean that, by what I know of the case." My agreement with Mr. Berthiaume was simply a lease by which I received 5 per cent on the money I invested in the paper. Mr. Berthiaume being completely the proprietor of the paper, when he paid the amount stipulated in the deed of agreement between himself and me. Under that deed which is produced here, and which I asked myself to be produced, Mr. Berthiaume being the proprietor, I had nothing to do with the notes that he promised to pay beyond being as I have said, the endorser. I am not under any agreement as regards the notes to the New England Paper Company, nor any responsibility beyond that of an endorser. I only undertook to allow my name to appear on the notes as having acquired the property which was formerly held by Wurtele and Nantel. Mr. Brown told me that the evidence was given in a desultory manner and the Judge thought that it was not evidence. It was given as a conversation which took place between Mr. Berthiaume and Mr. Young, that if this agreement were carried out I would not have to pay these notes. I had not, and have not, to pay these notes. They are not my engagement, they are the engagement of a man who is perfectly solvent, who is perfectly able to pay them himself. I asked him if he remembered what was said and he told me exactly as I have given it. He told me what he told before this Committee that there was no engagement, no recognizance, no right, no compact or agreement under which I could be held responsible, and any agreement between these parties was a matter that I had nothing to do with. After that I asked Mr. Brown whether I could get the stenographer's notes, and I may say that being a responsible member of the firm which had charge of the conduct of this case, I had a perfect right to see those notes. I asked him as I have said, if he could show me his notes, and he said "You might ask Mr. Holland." Mr. Holland was the stenographer at the trial. I saw Mr. Holland and had a conversation with him about the matter before he was called as a witness. Mr. Holland told me that he had not then the notes, but afterwards, he said he had received the book from Mr. Urquhart from Montreal, which contained the part of the evidence in question. I told him I would like to see that evidence. Mr. Holland came to me subsequently and told me what the notes and evidence was. I may say that I objected to the evidence being put before the Committee here, not because I knew what the evidence was, as that evidence added nothing to what we knew before, but I objected, as I stated before, upon the question of principle—that we were opening the door to things that might bring prejudice and injustice to parties in the future. I was not speaking for myself. I spoke as well for one side of the House as the other. I think it was not just, I think it was not legal, I think it was against all rules of evidence, all rules of justice, Mr. Chairman, that a matter of this kind should be gone into, without a declaration having been made by the member from his seat in the House. This is obviously what should have been done according to Parliamentary usage. The honourable member ought to have made in the House the charge which he has preferred and ask for an investigation. I think myself that before prosecuting such an investigation in which it was

sought to find a Minister connected with some corrupt act, it was the duty of the member of this Committee to bring the matter before the House in a formal declaration, and say that he has credible information that the minister has committed an act for which he should be either censured or punished by the House. When I heard of this matter of notes of evidence ruled out by the Court from Mr. Lister, I knew that he could not prove that Mr. Young had stated that he held a private letter that Mr. Chapleau conformed to the terms of the agreement. I say that when this statement was made, the gentleman who made it is bound in honour to prove it or lose his seat. When I heard the statement I knew that there was nothing to prove it. When Sir Richard Cartwright was here he said, "You have no right to prevent the production of these notes, because the question has been raised that there is a letter connecting you personally with an agreement that has been referred to." I said, "Sir Richard, there is no such letter," I knew that there was not such a letter, I knew that it could not be produced, I knew that it had never been written. As regards the declaration in the evidence which I say was desultory evidence, which was not before the court properly, there had been no cross-examination upon the evidence, there has been no opportunity given for the witness to say that he had made a mistake. I knew that, but I say now I have no objection to put before you the whole of the notes relating to this part. You will have Mr. Holland's notes, but I want to put them in voluntarily, I do not want the rules of evidence, the rules of justice, to be compromised by deliberations, by investigations, which are not regular. When I declined to allow the production of the notes, I stated that I was prepared before the House was closed to produce that evidence, to make a statement, and here it is. I wish again to say that in the examination I wanted of Mr. Young, where this question arises that part of the evidence has been struck out by the judge.

EXHIBIT No. 18.

"Q. As a matter of fact was there any contract with the Government?—A. There was.

"Q. What did it amount to?

Objected to as going outside of the pleading, as thoroughly irrelevant, and not being within the limit of the pleading.

Objection reserved.

A. As I remember the sale to the Government was about \$1,000, the profit on which was very small.

"Q. What was the amount of the profit?—A. I do not remember. I should say in the neighbourhood of \$100. At any rate there was a mistake about it. The mistake came about in this way—I will have to explain. We understood when we took this paper that we were to receive orders from the Government through Mr. Chapleau for paper in his department, of which one half the profit should go to pay the ten per cent on these notes. In that way Mr. Chapleau would not have to put his hand in his pocket to take money out, but it would be applied on this paper and his indebtedness would be cancelled without any expense to him. That was the understanding when the contract was entered into. The first order was about \$1,000, or something like that, and the price—

"Q. I want to know about the profit?—A. In asking that question there is something beyond it and I would have to tell it in order to answer that question properly.

"Q. I ask you what is the amount of the profit you realized?—A. About \$100."

Mr. Chairman, this is the whole of the evidence, which, according to Mr. Lister, was a terrible document, which proved that I had written, that I had consented, that I had agreed, that I had given a letter, confirming the agreement which both of the parties to the agreement—both Mr. Young and Mr. Berthiaume—have stated I did not know a word about.

GEORGE HOLLAND re-called and further examined :—

By Mr. Mulock :

4603. Is this your handwriting (handing to witness the statement read by Mr. Chapleau, marked Exhibit No. 18) ?—It is.

4604. It is taken from the notes you produce ?—It is taken from the shorthand notes, but the portion which was struck out is from “objection reserved” down to the answer “about \$100.”

4605. How long did the taking of Young’s evidence occupy ?—Part of a couple of days.

By Mr. Tarte :

4606. Part of a couple of days ?—Part of one day and part of another.

By Mr. Mulock :

4607. This is a true copy of a portion of Mr. Young’s evidence taken in the case of the New England Company vs. Berthiaume which you took down as shorthand writer ?—It is the portion of a statement which was declared not to be evidence and which I was ordered to strike out.

4608. As irrelevant ?—As irrelevant to the case, and the only portion.

4609. When was that trial ?—I think it was in January or February last.

4610. The spring of 1891 ?—Last spring.

4611. And it was evidence given by Mr. J. Brooks Young under oath in that case.—Yes, sir.

4612. In the presence of the court and counsel on both sides ?—Yes; and, I think, a jury. I thought yesterday it was not. It was heard on February 2nd, 1891. I might say that the deposition is a very long one, and it would take more time than I have at my disposal now, and do my duty to the Senate, than I can afford. There is a certified copy of it in the Prothonotary’s office, Montreal.

By Mr. Mulock :

4613. You certified to it ?—Yes.

4614. The copy in the Prothonotary’s office is a complete copy of everything except this portion taken out ?—Except the portion which appears on this page.

4615. Can we tell from the copy with the Prothonotary where this portion of the evidence goes in ?—Yes. It is immediately after the commencement of the cross-examination of the witness.

4616. Absolutely at the commencement ?—Not absolutely. The first is: “What was the amount of the profit?” and the last: “About \$100.”

By Mr. Paterson (Brant) :

4617. That was all that was struck out ?—That was all that was struck out.

By Mr. Mulock :

4618. When did you make this copy ?—I made it some days ago.

4619. What did you do with it ?—I kept it in my own office.

4620. When did you part with it ?—I parted with it last night.

4621. To Mr. Chapleau ?—To Mr. Chapleau.

Mr. FOSTER filed the following agreement :—

(Translation.)

EXHIBIT No. 19.

“ In the year 1889, on the 19th day of November.

“ Before Henri P. Pepin, Notary Public for the Province of Quebec, residing in the City and District of Montreal, the undersigned,

“ Came and appeared:

“ “ *La Compagnie d’Imprimerie et de Publication de Montréal,* a corporate body having its place of business in the City of Montreal, acting through Honourable Joseph Alderic Ouimet, of Montreal, its Vice-President.

“Who doth presently lease unto Mr. Trefflé Berthiaume, Printer, of the City of Montreal, consenting lessee, the newspaper *La Presse*, for ten years, reckoning from this day.

“This lease is made for the price of \$718 a year, payable quarterly in sums of \$180, the first payment to be made on the 21st February next.

“The said rent represents the interest on disbursements made and to be made by Hon. Mr. Chapleau, on account of *La Presse*, to wit:

“To Mr. R. White, \$500; to T. Berthiaume, \$5,000; to Mr. W. E. Blumhardt, \$5,314.04; to A. C. Wurtele, \$1,000; sundry amounts for interest, \$550; and to G. A. Nantel, \$2,000, making in all \$14,364.04.

“The said rent shall be payable, and the lessee binds himself to pay the same, to the credit of the lessor, unto Hon. Joseph Adolphe Chapleau, hereunto agreeing, the lessor substituting its said assignee as creditor of the said rent.

“The lessee binds himself to pay, in conformity with the arrangements made between the New England Paper Company and the said Berthiaume, the five notes given to the said New England Paper Company endorsed by Hon. J. A. Chapleau, the latter to continue to endorse the renewals of the said notes until full payment, to the amount in all of nine thousand and forty dollars and twenty-two cents, and the said lessee shall become the creditor of the lessor for so much in capital and interest, if the company shall afterwards resume possession of the newspaper.

“The lessee shall continue to supply the newspaper to all the present subscribers who have paid their subscriptions in advance, until the expiration of the period for which subscription has been paid, without recourse against the leasing company for the proportion of subscription to run.

“The lessee shall also carry out the now existing advertising contracts, in accordance with the conditions entered into with the advertisers, and all other existing contracts.

“The leasing company binds itself in the event of the cancelling of this lease:

“1. To take back, at the same price which the lessee shall have paid therefor, the plant of the said newspaper;

“2. To continue to supply the said newspaper to all subscribers having then paid their subscriptions in advance;

“3. To execute and continue to execute the advertising contracts on the conditions entered into with the advertisers, as well as all other then existing contracts, without any further recourse against the lessee for subscriptions or the insertion of advertisements paid for in advance.

“The newspaper, while retaining its political character, shall, as far as possible, avoid purely political polemics, but this limitation shall be determined exclusively by the person having the political direction of the paper.

“The political director shall be appointed by the company yearly for the term of one year.

“The political director may cause to be inserted in the paper any political article he thinks proper, and may require the removal of any of the political editors of the paper who shall refuse to submit to his control.

“The present political editor, Mr. G. Alphonse Nantel, shall retain his position, at a salary of \$1,500 a year, payable monthly, and should Mr. Nantel withdraw from the editorship of the paper owing to disagreement with the lessee thereof, or of his own will, the new political editor shall be appointed, with at least the same salary, by the political director.

“It is stipulated and agreed that all damages resulting from actions for libel or defamation against the said paper shall be met by the company granting this lease, if such libels arise from articles authorized by the political editors or directors of the paper; and if, on the contrary, such libels arise from any other publications in the paper, such damages shall be met by the lessee.

“The lessee shall be entitled to collect for his own benefit arrears due to *La Presse* for subscriptions, advertisements and otherwise, and to the free use of the furniture and other accessories of the said paper; but should this lease expire or be cancelled,

the lessee shall be bound to leave in his books an amount of good debts equal to what he shall have collected out of such arrears, and shall keep, for that purpose, a book showing the proportion of the collections belonging to *La Presse*, and shall make a report of such collections every three months.

“The lessee shall pay out of the said collections the current accounts now due by *La Presse*, such as rent, taxes and gas; the lessor binding itself jointly with the Hon. J. A. Chapleau to settle all other claims against *La Presse*, in such wise that the said lessee shall never be troubled respecting the said claims.

“On reimbursement of the sum of \$14,364.04, the lessor (the company) binds itself to sign a transfer of all its rights in the property of the said newspaper *La Presse*, and of the whole of the paid-up stock of the said company, in favour of the said lessee or his representatives, at any time during the term of the said lease.

“The newspaper shall contain an average of twelve columns of editorial matter, news, despatches, maritime and commercial bulletins or special articles.

“Whereof Act, executed at the City of Montreal, under number 11598.

“And the parties appearing have duly signed after reading.

(Signed) “J. ALD. OUIMET, *Vice President*.
 “T. BERTHIAUME,
 “J. A. CHAPLEAU,
 “H. P. PEPIN, *N. P.*

“A true copy of minutes filed in my office.

(Signed) “H. P. PEPIN, *N. P.*

Mr. CHAPLEAU—I would like to produce before the Committee the statement of Mr. McElroy, of Potter & Co., the only part of importance being an appreciation of the presses supplied by that company to the Government. I want to produce this declaration, because in it Mr. McElroy states the reasons why he cannot be here.

The CHAIRMAN read the letter in question to the Committee.

Mr. SOMERVILLE objected to the statement being filed, not being under oath.

The CHAIRMAN—I have already ruled that all papers are admissible as exhibits if relevant to the question.

BROWN CHAMBERLIN recalled and further examined:—

By Mr. Chapleau :

4622. I wish to ask you a question, first in relation to what you said a moment ago and which I think has not been well understood by some members of the Committee, because, if I am not mistaken, it has been stated that you said something which you did not say. When you said that in the month of April you mentioned about the rumours, it was said you had mentioned to me certain special facts. Did you do that?—No, sir; I spoke of the rumours on the street, here and there, and everywhere. I was trying to get at the facts, and failed.

4623. What did I tell you when you told me that?—I did not charge my memory with that. It was something to the effect that the thing must be looked into.

4624. You are the first officer of the Department. Will you produce the letter from Mr. McElroy—you know his signature from seeing it often in the Department?—Yes. It is the letter that has already been read:—

EXHIBIT No. 20.

“MONTREAL, 18th September, 1891.

“Hon. J. A. CHAPLEAU,

“Secretary of State, Ottawa.

“DEAR SIR,—My attention has been called to the evidence given at Ottawa by Mr. William Meek, an agent for the Babcock presses, in which he declares he could have put in superior presses to those made by C. Potter, Jr., & Co., of New York,

now in the Government Printing Bureau at Ottawa, for considerable less money. I declare this an utter impossibility, for the Babcock Company do not and cannot make a press equal to the Potter, and could not supply sixteen presses like those for double the money. The machines in the Government Printing Bureau are the finest our house has ever made—in fact were specially made to order, and could not be sold for a less price than was charged for them. The Government have more than value for the money paid us. We take special pride in those machines, and would be glad to have them inspected by a disinterested practical man.

“I regret very much that I cannot attend the meeting of your Public Accounts Committee, as besides a serious family affliction, I am due at Washington on the 22nd instant, to see to the erection of four more of our presses in the Government Printing Bureau there.

“Yours respectfully,

“THOS. McELROY,

“Agent, C. Potter, Jr., & Co., New York.

“Witness—P. A. CROSSBY.”

By Mr. Somerville :

4625. Have you the letter that brought that ?

MR. CHAPLEAU.—It was in answer to a telegram that I sent.

By Mr. Chapleau :

4626. Will you also produce before the Committee two statements of inspection of the Department that were made and given to you?—Here is a statement of the inspection of the office, signed by Messrs Lovell, G. B. Burland, and Shepard of the *Mail* :—

EXHIBIT No. 21.

“The undersigned having, at the request of the Honourable the Secretary of State, visited and inspected the Government Printing Office, Bindery and Stationery Office in this city, feel it a duty to state:—

“1. That the offices are well planned and adapted for the purposes for which they were established ;

“2. That it has been furnished with proper plant for the purpose of executing the Government work ;

“3. That the plant, materials and fittings are all thoroughly good, in so far as we were enabled to judge of them ;

“4. That the system of management, in so far as we could gather from our inspection, seems to be excellent. We were glad to learn that the prevailing opinion that men were employed, not because of their fitness, but on account of mere political favour, is not correct. The practice is to allow the Superintendent to employ and dismiss his own men under certain reasonable restrictions.

“It might be urged that the fittings and appurtenances are finer than are absolutely necessary for the execution of the work ; but this being designed to be a first-class office, having all modern improvements, we think the outlay has been justified.

“An objection having been taken to the over-purchase of plant and material, we wish to say that the large quantities of type and other material, from time to time either actually locked up or held in reserve for the needs of the Government, justify this in great measure, if not altogether. A reserve of 20 per cent in an establishment like this is by no means excessive.

“As to prices paid, so far as we have learned, they have been with few exceptions, such as fair, average tradesmen would pay for the same plant.

“JOHN LOVELL.

“G. B. BURLAND.

“W. A. SHEPARD.

“OTTAWA, 17th September, 1891.”

2†—16½

There is another statement from Mr. Bingham, of Bingham & Webber, a well known printer and a very clever one I believe, to the same effect:—

EXHIBIT No. 22.

“The undersigned, having at the request of the Honourable Secretary of State, visited and inspected the Government Printing Office, Bindery and Stationery Office in this city, feels it a duty to state:—

“1. That the offices are well planned and adapted for the purposes for which they were established;

“2. That it has been furnished with proper plant for the purpose of executing the Government work;

“3. That the plant, materials and fittings are all thoroughly good, in so far as I was enabled to judge of them;

“4. It might be urged that the fittings and appurtenances are finer than are absolutely necessary for the execution of the work, but this being designed to be a first-class office, having all modern improvements, I think the outlay has been justified;

“5. An objection having been taken to the over-purchase of plant and material, I wish to say that the large quantities of type and other material, from time to time either actually locked up or held in reserve for the needs of the Government, justify this in a great measure, if not altogether. This reserve in an establishment like this I do not think is excessive.

“6. As to prices paid for presses, and for body type, such as minion, bavier, long primer and small pica, and other prices that came under my notice, I think said prices are fair, and average tradesmen would pay about the same for them.

“7. In investigating salaries paid to foremen, assistant foremen and workmen of the several departments, I think the rates are very just, both to the workmen and to the Government.

“CHARLES D. BINGHAM,

“Toronto.

“OTTAWA, 19th September, 1891.

Here is a report from the Accountant of the Department, showing the result of the operations of the Department in August as against the old contract system.

4627. How does it compare? Will you give the figures, and read his letter in connection therewith?

His letter and statement are as follows:—

EXHIBIT No 23.

“DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,

“ACCOUNTANT'S BRANCH, OTTAWA, 14th September, 1891.

“SIR,—I have the honour to enclose comparative statement of cost of work executed at Bureau and at contractor's rates. This statement takes in the whole of the work executed in July, 1890, and miscellaneous items from various months during the last fiscal year.

“I have the honour to be, sir,

“Your obedient servant,

“W. GLIDDON,

“Accountant.

To Hon. J. A. CHAPLEAU,

“Secretary of State, Ottawa.”

	Printing.	Binding.
	\$ cts.	\$ cts.
Total vouchers made up—		
At Contractor's rates	13,753 22	4,462 27
At Bureau rates	10,330 09	3,115 07
In favour of Bureau.	3,423 13	1,347 20
Total printing and binding at Contract rates	18,215 49	
do do Bureau do	13,445 16	
Showing total in favour of Bureau.	4,770 33	

4628. Are not these reports signed by the gentlemen who examined the establishment with Mr. Lovell, who was sworn here?—Yes.

4629. Did they go and make the examination together and sign the report?—Yes.

By Mr. Somerville :

4630. Are not some of these men who signed the report applicants for the position of Superintendent of the Printing Bureau?—No.

Mr. Mulock objected to these statements being put in in the absence of the witnesses.

4631. Have you a statement of what the *Canada Gazette* cost between this year and another year?—This statement shows that in 1878 and 1879 there was a very large loss on the *Canada Gazette*, while in 1888 and 1889 we succeeded in getting the balance on the other side:

EXHIBIT No. 24.

STATEMENT of Receipts and Expenditure on account of *Canada Gazette* for years 1878-79 and 1888-89.

1878-79.

Receipts..... \$ 992 32
Expenditure..... 3,612 92

1888-89.

Receipts..... 4,946 09
Expenditure..... 4,846 62

By Mr. Mulock :

4632. When did you last see Mr. McElroy, of the Potter Company?—I really cannot at the present moment undertake to say.

4633. Was it last winter?—My impression is that it was pretty early in the spring.

4634. Of this year?—Yes; I think so,

4635. In Ottawa?—I am pretty sure it was not winter.

4636. It may have been last fall or this spring?—Yes.

4637. Do you remember the occasion on which you saw him? Was it at the establishment?—He was up doing some work or repairs, I think. My impression is that it was early this spring.

4638. Have you anything that can make you sure as to that?—I think very likely there may be some charges in the books of the Department that would show when he was here.

4639. It was when he was up here doing some work?—He was doing some work for us and doing some odd jobs for others. He came in to see how the presses were getting along and have some talk with us.

4640. It was in your office that you had a conversation with him?—No; it was on the street. I wanted to talk to him in a quiet way.

4641. Unofficially?—Yes.

4642. Off duty?—I wanted to get him off his guard and get information.

4643. I would like you to look in your books and get the data which would enable you to fix the date of that conversation?—I shall endeavour to do so.

By Mr. Paterson (Brant):

4644. I notice in this statement you put in showing that the *Canada Gazette* from the financial aspect has been improved. I see it shows that the receipts were \$992.32 and expenses \$3,612.82 in 1878-79, whereas the receipts last year were \$4,946.00 and the expenditure \$4,846.62. That is financially pleasing. The object of putting this in is to show that the work was done more economically than previously; but the Committee will observe that the beneficial results did not come from economy, but from increase of receipts. How do you account for the increased receipts?—In a variety of ways. It is principally from the fact that we have large commercial enterprises going on, the incorporation of firms, and applications being made to Parliament and the Government. The advertising has gone up.

4645. Was there a larger issue of the *Canada Gazette* in 1888-89 than in 1878-79?—Somewhat larger.

4646. Then it would cost you more to get it out?—Certainly, and to print. The advertising cost something also.

4647. There is \$1,200 difference in the expenditure of those two years?—Yes.

4648. That would be a fair increase?—Well, it would not be very much more, I think.

By Mr. Chapleau:

4649. Have we not in a large degree decreased the cost of printing and of paper in the publication of the *Canada Gazette*?—I cannot say that we have decreased the cost of printing, but I think we get the paper cheaper and a good deal better.

By Mr. Somerville:

4650. That is because the price of paper has gone down all over the world?—Possibly.

4651. And they make a better quality of paper now?—Certainly.

By Mr. Chapleau:

4652. Do we not produce cheaper work by the change we have made in the Department, taking into comparison the difference of the prices now and in 1878-79?—I think, sir, that we pay now for the same grade of paper a good deal less than we could have got it for then. One grade that we used to pay from 11 to 13 cents for, we pay 8 cents or a little below that now. I do not think we can take the whole credit to ourselves, because paper has gone down in the market everywhere; but while making judicious purchases and doing our best, I could not say the whole credit is due to our management.

4653. (Handing certain documents to witness). These letters are part of the correspondence of the Department that you have given me. I produce them because an effort has been made to establish that I did not take the trouble of ascertaining prices, but that everything was left to the Superintendent of the Printing Bureau. I want to disprove that by these documents, and second, to prove, which is more essential and more important, that when Mr. Scott was examined here and when he stated that the type was not delivered to the Department here until after a cheque had been given to the Conservative Association that he swore something which was untrue. Afterwards he said he had not seen any letter of that kind. I want to prove by the second letter there, and by subsequent correspondence, that the type was ordered and received, several days—two or three weeks—before the cheque was issued, and of which I had not any knowledge. I want to show that the delay which was caused was not to try to get subscriptions for the Conservative Association, but

because we had no place to put the type. What are those letters which I now hand you?—I am producing from the files of the Department a letter transferred to it from Mr. Romaine—a copy of which he kept on file—that was sent to Mr. Crossby, giving the original order for the type for the Voters' Lists and showing that Mr. Senécal had not the order in the first place, but it was done on the recommendation of Mr. Romaine, an officer of the House of Commons.

4654. Will you read it?

EXHIBIT No. 25.

OTTAWA, 29th October, 1887.

"MY DEAR MR. CROSSBY—By order of the Secretary of State, I am instructed to procure an estimate of the amount required to keep standing in form, the whole of the list of voters for the Dominion elections. There are about 1,000,000 names, divided into 5,000 forms, of an average of 200 names in each form. The prices must be *bottom prices* for such large quantities, and to be *definite*, as no alteration as to the amount to be paid for the whole contract will be hereafter entertained. It will be absolutely necessary that a definite time be named by you for delivery of all the material without fail.

"It is thought best to have the first 'set up' at the foundry, in order to dispose of surplus sorts and prepare sorts that will be 'run on.' There will be 5,000 forms similar to the one sent herewith.

"Please to forward me a reply as soon as possible, as I have to present the estimate next week.

"The enclosed is the list of material required.

"Yours truly,

(Signed) "ROBERT ROMAINE."

"If you can spare me, please send me the latest specimen book and price list."

4655. Now, the next letter?—The next one is addressed to Mr. Senécal from Mr. R. G. Starke, vice-president of the Dominion Type Founding Co.

EXHIBIT No. 26.

"MONTREAL, 7th March, 1888.

"DEAR SIR,—I have your favour of March 6th referring to electrotypes for voters' list. It is true that we have no order from you for them in official form, only the memo given by you on a copy of voters' list in common with fonts wanted for the heading and references in correspondence. About the price—far from fixing a price for you, we fixed one as *our price*, viz.: the lowest at which we would make them.

"However, as there is a misunderstanding as to the electrotypes being ordered from us we are willing that you should return those shipped and will deduct them from invoice.

"In answer to your enquiry 'Who gave you the order to send the 1,140 lbs. Nonpareil and 1,225 lbs. Small Pica?' We have to say that our authority is in writing from the Secretary of State, dated December 23rd, 1887, and which is as follows:—

"Please have the following quantities of type cast for the Government Printing Bureau to be delivered at Ottawa by August, next year (1888) and sooner if possible.

5,000 lbs. Nonpareil No. 3.
 15,000 " Minion No. 3.
 10,000 " Long Primer No. 7.
 20,000 " Small Pica No. 4.
 3,000 " Bourgeois No. 8."

"Your order of July 28th merely states 'to be delivered at Ottawa by August next year (1888.)'

" We regret that you should find any difficulty in storing the material, but we have felt most anxious to fill all orders in our hands for the Government, as early as possible, agreeable as we conceived to instructions.

" We are pushing your Minion order through with all despatch and have shipped a large quantity to-day, and hope to keep you well supplied, even beyond our promise as to time.

" Please say how we are to consider your order to our Mr. Cummings for quotations? and oblige

" Yours truly,

" R. G. STARKE,
" Vice-President.

" Mr. ANDRÉ SENÉCAL,

" Superintendent Government Printing Bureau,
" Ottawa."

I may explain that there was a good deal of difficulty because the work of building the Bureau went on very slowly; it lingered very long, and we had to get storage outside for a good deal of the material that came in.

By Mr. Somerville :

4656. You say that this comparative statement which you have presented to the Committee, shows that the Department turns out work at a cheaper rate than it was done by the contractor?—Taking the printing and binding together, I think there is no doubt about that. I have not studied the figures myself directly, because the statement was prepared in a hurry by Mr. Gliddon, but I know, in conversation with him, that the instructions he received from the Secretary of State were to make a complete comparative statement for several years. That would include hundreds of thousands of small items of 10 cents, 20 cents or 40 cents, and the labour of totalling them would be immense.

4657. You remember that a statement was made. No doubt you have read it in the Report to the House made by the Minister of the Interior, two years ago, with regard to the printing of the Geological Report. He said the reason he got it printed in Montreal was, that he could get it done cheaper there than in the Printing Bureau?—He may have said so.

4658. Do you remember reading that?—I know that there was a dispute then and that the officers were opposed to doing the work, but since then the arrangements have been altered.

4659. Did Mr. Dewdney make such a statement?—Quite possibly. I was going to say, that if these small items were eliminated, that Mr. Gliddon makes a statement about the average; he took all the leading items, and that is the only way he could do it. It would be better, however, to have Mr. Gliddon here to tell you how the calculation was made.

By Mr. Chapleau :

4660. The order referred to in the letter to Mr. Starke is the order of which you have a copy there from him, and that he says was the order of the 23rd December?—I suppose it is.

4661. Will you take the letter and compare it with the order?—Yes, the figures are the same.

EXHIBIT No. 27.

" DOMINION TYPE FOUNDING COMPANY.

" Please have the following quantities of type cast for the Government Printing Bureau, to be delivered at Ottawa by August, next year (1888), and sooner if possible:—

" 5,000 lbs. Nonpareil No. 3
" 15,000 lbs. Minion No. 3.

" 10,000 lbs. Long Primer No. 7.

" 20,000 lbs. Small Pica No 4

" 3,000 lbs. Bourgeois No 8.

" (Signed)

J. A. CHAPLEAU,

" *Secretary of State.*

" OTTAWA, 23rd December, 1887."

By Mr. Mulock :

4662. I want to ask you whether the voters' lists that are now being prepared for the revising officers—the greater part of the supplementary lists—are being printed outside in the various offices in the country?—Yes, sir.

4663. I want to ask you if there was one contract or several contracts made for supplying type for the printing of the voters lists?—My impression is that the great bulk if not the whole of it came from Miller & Richards. That may have been used for the preliminary lists.

4664. Are you not aware that type for the voters lists was obtained from the different manufacturers?—Oh yes, but that was for the preliminary work.

4665. That you did not have one definite contract for such type but two or perhaps more?—Only two that I am aware of. Miller & Richards and the Dominion Type Foundry in Montreal.

4666. In the last letter you read from Mr. Starke there is a reference to an order from the Secretary of State. Have you got that order here or a copy of it?—That was a copy of it in the letter—in the document—that has been read.

4667. This order has been referred to in the communication from Mr. Starke? Now look at it and see if you are right?—Yes, sir.

4668. That is the order (see exhibit No. 27.) That is the communication from the Secretary of State?—Yes.

4669. That is the copy referred to in the letter of Mr. Starke?—Yes.

GEORGE COX recalled, again sworn and further examined:—

By Mr. Mulock :

4670. Mr. Cox, you reside in the City of Ottawa?—Yes.

4671. And you are the same George Cox who gave evidence before this Committee on a former occasion?—Yes.

4672. You are the president of the Ottawa Conservative Association?—Yes, sir.

4673. You spoke at your last examination of having seen Sir John Macdonald in regard to the doings in the Printing Bureau. Do you remember when that was?—I spoke of calling on Sir John Macdonald about some private matters and incidentally mentioned this.

4674. Can you fix the date?—I cannot.

4675. Can you fix the year?—It was about this time last year, I think. I went to see him about a private matter, I do not remember much about it.

4676. What did you tell Sir John Macdonald?—I cannot tell you.

4677. Did you refer to the Printing Bureau?—I did.

4678. In what sense did you refer to the Printing Bureau?—I told him of rumours that were in circulation on the street about commissions being demanded by the heads of the department.

4679. What answer did you receive?—I cannot remember whether he gave me any answer or not.

4680. Did you have any subsequent conversation with him?—Not upon that question.

4681. Did you afterwards have conversation on the subject?—Not that I remember.

4682. Did he tell you at any time that he would inquire into the matter?—I do not remember that he did.

4683. Do you remember any other occasion when you conversed with him on the subject?—I cannot place it.

4684. Do you remember it without placing it?—No, when I say that I cannot place it, I mean that I do not remember any conversation.

4685. Do you know when Mr. Chapleau first learned of the irregularities?—I do not know.

4686. Do you know whether he has any knowledge at all?—I do not.

4687. Do you know when he had any knowledge?—I do not.

4688. Did you ever mention that he had knowledge?—I did not. I could not possibly have done so.

4689. You never knew whether Mr. Chapleau had notice of what was going on or not?—No.

4690. Do you remember Sir John Macdonald telling you that he would inquire into these matters?—I do not.

4691. What answer did he make when you told him what you had heard?—I do not remember. I was talking to him about private matters and in the course of conversation I told him about this matter that was being talked of on the street.

4692. You do not remember what he said?—I do not remember his exact words.

4693. I do not want his exact words. You can tell me the effect of what he said?—I cannot do so now. I do not want to say things which might prejudice other persons. I have only an indistinct recollection of the matter, and what I say might be prejudicial to some one. I might tell you what might not be positively true, it is so long back. I cannot tell it.

4694. No one has questioned your *bona fides* and we all know that you are not a willing witness?—I might tell what I believe to be the whole truth, but which might not be absolutely the truth. I really do not remember. The only thing I remember as I said before, was having told him about the rumours that were being circulated.

4695. You remember having the conversation with Sir John Macdonald?—Yes, sir.

4696. And you remember telling him that there were irregularities?—I do. I wish that to be distinctly understood. I told him that there were irregularities.

4697. You knew that there were rumours about irregularities?—I warned Sir John Macdonald, and I could not warn him of something that I did not know.

4698. You heard the rumours?—Yes, sir.

4699. What was your information?—I have just told you that Senécal and Bronskill were in the habit of demanding commissions from firms who dealt with the Government.

4700. You heard that?—I did.

4701. And you told that to Sir John Macdonald?—Yes, sir.

4702. Did Sir John Macdonald make any comment upon that?—No particular comment that I remember.

4703. No comment of any kind?—Not that I remember.

4704. Did he make any kind of observation?—Not that I remember.

4705. Did he appear to be surprised?—I think he did.

4706. What did he say that made you think he was surprised?—He said "Is it possible." Some such remark as that.

4707. Was that all he said?—That is all I remember being said.

By Mr. Bergeron :

4708. You were here before?—I was.

4709. The very same questions were then put to you?—Yes, sir. I may say, if it was not out of deference to the Chairman, I would not have come here again. I think it is treating a British subject very unfairly to require him to come up here and dance attendance on this Committee, and answer the same questions time after time.

Mr. Bowell stated, that having been detained at the Railway Department, he was not present when Mr. Barber gave evidence. He would ask the stenographer to read his notes.

The stenographer having done so, Mr. Barber was re-called and further examined :

By Mr. Bowell :

4710. You remember where I met you and our conversation?—I think it was in the dining-room of the "Russell."

4711. I think I asked you how you were getting on with your suit against the Government?—Yes.

4712. I then said there were matters connected with the purchase of supplies for the Stationery Department or Printing Bureau, which I supposed you might have some knowledge of, and which I would like to have a conversation with you about?—Yes.

4713. You then came to my room after dinner. You told me, if I recollect aright, that you had never given Mr. Senécal anything but through your partners?—Yes.

4714. Do you remember my telling you I thought it was your duty under the circumstances, to go and tell Mr. Chapleau as head of the department?—Yes, I think you did, but I answered that question I think to Mr. Chapleau, although it does not appear in the evidence read, that I did not know how strong Mr. Senécal's position was in the department, and I was not prepared to run the risk of losing business with him.

4715. You promised you would take steps to bring it under the notice of the department?—No, sir.

By the Chairman :

4816. Did you give Mr. Bowell to understand you would?—Not at all. I gave him to understand that I would not.

By Mr. Bowell :

4717. And the reason you would not was because you thought it would injure your future purchases?—I did not know whether Mr. Senécal would on my representation be dismissed, and if he was not dismissed my statement that he was levying blackmail would have lost the business with the department.

By Mr. Mulock :

4718. It would prejudice your business?—Yes.

By Mr. Bowell :

4719. I suppose you remember the opinion that I expressed?—You were very much dissatisfied with the answer that I gave.

The Committee then adjourned.

COMMITTEE ROOM, MONDAY, 28th September, 1891.

Committee met—Mr. WALLACE in the Chair.

P. A. CROSSBY re-called, again sworn and further examined :—

By Mr. Chapleau:

4720. You have been already examined here?—Yes, sir.

4721. You have seen your depositions which were forwarded to you by the Clerk of the Committee?—I have.

4722. Have you made any corrections of them?—I just read the proofs, that is all.

4723. I think you asked the Secretary of the Committee to fyle a statement which you had written yourself and brought here?—Yes, the statement I brought the day I gave evidence. It is here, they kept it that day.

4724. Do you wish it put in as part of your evidence?—I understood it was to be put in that way. Mr. Lister said to fyle it.

4725. When you left it?—Mr. Lister said to fyle the statement, that is what I remember him telling me, and I left it with the Secretary of the Committee that day.

4726. Mr. Lister consented that it would be fyled?—That is what I say.

4727. Does it add anything to your evidence, or does it make your evidence more clear?—It makes my evidence more clear; it is more complete. It is exactly what was given in the evidence, only more complete.

4728. It is put in better order?—It is a detailed statement of the transactions from the commencement.

4729. You request it should be fyled?—Yes, with all the exhibits and most of the correspondence—they are all connected.

4730. I think you sent this letter I now hold in my hand to the Secretary? Will you look at it please?—That letter forms part of my statement. When I handed in these two letters, if you remember, Mr. Lister said they were not relevant. It was the continuation of my statement, and I put the whole thing in an envelope together, so when I wrote to Mr. Hartney I sent him these.

4731. Will you read the letter you sent to Mr. Hartney?

EXHIBIT No. 28.

“ MONTREAL, 23rd September, 1891.

“ E. P. HARTNEY Esq.,

“ Clerk, Public Accounts Committee, Ottawa.

“ DEAR SIR,—In my letter of the 21st I requested you to publish my statement with my evidence, I meant for you to fyle the same with the cheques and other documents I submitted.

“ Yours truly,

“ P. A. CROSSBY.

Kindly add enclosed to my statement.”

“ MR. CROSSBY'S STATEMENT.

“ Before I read my statement, permit me to say that I did not leave Montreal to evade examination by this Committee as has been cowardly insinuated by a certain class. For several months past I have been expected in Vancouver, where we were establishing a branch of our business. I should have left on the 2nd of August, but it was the 18th before I got away. I carried no documents relating to the Bureau away with me. The statement, if really made, was absurd and contemptible. I arrived in Vancouver on Saturday, the 29th of August, and on Monday received a

telegram from my Vice-President, stating that I was summoned to Ottawa and to proceed there immediately. I telegraphed him that I would do so; and also telegraphed your Chairman that I would leave for Ottawa by the next train unless otherwise advised. Your Secretary wired back: 'Committee will issue another summons when they require your attendance. Do not come now.' Notwithstanding this, I left for home, where I arrived on Wednesday last. Was here in answer to your summons last Thursday, and am here to-day to tell you what I know about the transactions of the Dominion Type Founding Company with the Government Printing Bureau and its late Superintendent.

"I have been in the employ of the Dominion Type Founding Company since February, 1874, and its manager since March, 1878. Nationality: English on my father's side, French on my mother's. I have known André Senécal for about 25 years, and we were personal friends. When he was manager of *L'Etendard* he told me he expected the appointment of Superintendent of Printing, and would remember me and the Dominion Type Foundry as to the supplying of the type, for he knew from reputation that we could fill the order with satisfaction. With this promise in view, and having faith in the Government that if it was true to its National Policy it would not pass the only type foundry in the Dominion, I prepared for the order by arranging for more machinery and more skilled labour.

Senécal's brother has one of the largest printing establishments in Montreal, and has been a customer of our foundry for many years.

On the 15th of July, 1887, I discounted a note of \$125 for André Senécal, and on the 28th of the same month he called at the foundry and notified me of his appointment as Superintendent of the Bureau. He asked me for a list of what body type we had furnished the then Government Printing Office of Messrs. MacLean, Roger & Co., and I gave it to him. From this list he made out his order, saying he expected us, if possible, to excel ourselves in the type we gave him. He wrote the order in my office, and I acknowledged it as follows: (This letter is printed on page 154 of the Minutes of Evidence.)

On the 1st of September I discounted another note of Senécal's for \$200, to assist him in removing to Ottawa.

Early in December, the late lamented President of my Company, Mr. Alexander Murray, observing a large number of boxes of type being packed in the store-room for the Government, asked me to get him a copy of the Act relating to the Printing Bureau, as he had some misgivings about Senécal's right to order. We were then working day and night and paying out considerable sums of money for wages and metals. Other orders were also being neglected that we might finish this one in the time named.

I got for Mr. Murray a copy of the Act, and, on reading it, he said it was as he had feared—the order was valueless, as it had not been approved by the Minister or his Deputy; and he underlined the words in Clause 4 of Section 5, which reads: "*upon requisitions duly approved by the Minister or as he directs.*" He was angry and took the order away, and I either wrote or telegraphed Senécal about the matter, for I was very much upset. His answer was:

"DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,

"OFFICE OF THE SUPERINTENDENT OF PRINTING,

"*Confidential.*

"OTTAWA, December 19th, 1887.

"P. A. CROSSBY, Esq.,

"Montreal.

"MY DEAR PETER,—I was to go to Montreal Saturday, but I was not well enough to leave that day. My sickness is a lumbago that I am bothered with for the last eight days. I expect to leave Tuesday afternoon. I will telegraph you on that day, if I will leave, for I want you to be at the depot on my arrival. The *thing* is passed in Council, but not a single word to nobody. Be on your guard.

"Yours truly,

"Not a word, even in the office."

"A. SENÉCAL.

On the 28th of December, Mr. Murray handed me the order for the type, duly approved by the Secretary of State, and charged me to fill no orders for the Bureau of any extent unless approved by the Minister or his Deputy.

This is the original order:

“DOMINION TYPE FOUNDING COMPANY.

“Please have the following quantities of type cast for the Government Printing Bureau, to be delivered at Ottawa by August next year (1888):—

“ 5,000 lbs. Nonpareil No. 3.
 “ 15,000 “ Minion No. 3.
 “ 10,000 “ Long Primer No. 7.
 “ 20,000 “ Small Pica No. 4.
 “ 3,000 “ Bourgeois No. 8.

“A. SENÉCAL,
 “Supt. Printing Bureau.

“Montreal, July 28th, 1887.”

“DOMINION TYPE FOUNDING Co.

“Please have the following quantities of type cast for the Government Printing Bureau, to be delivered at Ottawa by August next year (1888), and sooner if possible:—

“ 5,000 lbs. Nonpareil No. 3.
 “ 15,000 “ Minion No. 3.
 “ 10,000 “ Long Primer No. 7.
 “ 20,000 “ Small Pica No. 4.
 “ 3,000 “ Bourgeois No. 8.

“J. A. CHAPLEAU,
 “Secretary of State.

“Ottawa, December 23rd, 1887.”

When Mr. Murray handed me the order, I suggested to him that we should ask for permission to ship to Ottawa what type we had ready, and get money on account. He approved of my suggestion and wrote:

“DOMINION TYPE FOUNDING Co.,
 “MONTREAL, 28th December, 1887.

“DEAR SIR,—I beg to acknowledge having received your order for type dated 23rd inst., and have to thank you on behalf of this company for the same.

“I am advised by the Manager, that we have now boxed and ready, the following quantities, viz. :—

2,222 lbs. Nonpareil, @ 58c.....	\$1,288 76
5,638 “ Minion, @ 48c.....	2,706 24
2,217 “ Bourgeois, @ 44c.....	886 80
4,644 “ Long Primer, @ 36c.....	1,671 84
	<hr/>
	\$6,553 64
10 per cent.....	655 36
	<hr/>
	\$5,898 28

And I have to ask if it would suit the Department to take delivery of this quantity and make us a payment, say of \$5,000 on account. If this can be arranged without inconvenience, it would be an accommodation to the company.

“I have the honour to be,

“Dear sir,

“Your obedient servant,

“(Signed). A. MURRAY.

“Hon. J. A. CHAPLEAU,
 “&c., &c., Ottawa.”

“President.”

To this the Queen's Printer replied as follows:—

“ DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,
“ OFFICE OF THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY,
OTTAWA, 5th January, 1888.

“ SIR,—I am directed by the Honourable the Secretary of State, to request that the type mentioned in your letter, of the 28th ultimo, as manufactured for the Printing Bureau, namely:

“ 2,222 lbs. Nonpareil.
“ 5,638 “ Minion.
“ 2,217 “ Bourgeois.
“ 4,644 “ Long Primer.

be shipped to me, and on receipt of invoice and shipping bill, I shall have pleasure in paying you five thousand dollars on account thereof.

“ I have the honour to be, sir,

“ Your obedient servant,

“ B. CHAMBERLIN,

“ *Queen's Printer and Controller of Stationery.*

“ The President of,

“ The Dominion Type Foundry Co.,
“ Montreal, Que.”

The type was therefore shipped and \$5,000 paid us on account.

On the 12th of January, 1888, Mr. Murray, who permit me to mention was a very prominent liberal in politics, was President of the Canada Shipping Company, President of the Richelieu and Ontario Navigation Company, and a Director of the Bank of Montreal, also president and representing three-fourths of the capital in my company, instructed the book-keeper to make out a cheque in the name of François Benoit for fifteen hundred dollars. The cheque was made out signed by R. G. Starke, Vice-President, and P. A. Crosby, Manager, and either that day or the next I personally gave it to Mr. Murray at his office in the Richelieu Company, where I found him in company with the late Captain Labelle. He put the cheque in his pocket and what he did with it, myself, no director, even the Vice-President who signed it, or any officer connected with the foundry can tell. All we know is that it came back in due course endorsed by the said François Benoit, and I was ordered by Mr. Murray to place it in safe keeping.

On the 21st January, I received a letter from the Secretary of State informing us that the department would require 122,000 lbs. of minion, and asking us if we could supply the same and at what price. This is the letter:

“ DEPARTMENT OF PUBLIC PRINTING AND STATIONERY.
“ OFFICE OF THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY.
“ OTTAWA, 20th January, 1888.

“ SIR,—The Department of Public Printing will require 122,231 lbs. of minion during the course of the present year.

“ I desire to know whether your establishment can supply us with that quantity of type at the rate of not less than 15,000 lbs. per month, and at what price? If you are able to do it, the order already given to your firm for *minion* would be merged into the new one.

“ The Superintendent will call at your establishment to be acquainted with your answer.

“ I have the honour to be, Sir,

“ Your obedient servant,

“ J. A. CHAPLEAU,

“ *Secretary of State.*”

“ The Manager, Dominion Type Founding Co.,
“ Montreal, Que.”

This was a very large order and I knew we could not supply the quantity named per month, and so informed the President. It was arranged with Mr. Sénécal that I should go to Philadelphia, and see if, with the assistance of The Mackellar, Smith & Jordan Company, (who would have matched our type as to face and body) we could fill the order, at least to the extent of 10,000 pounds per month. I was successful, and secured the hearty assistance of that great American Type Foundry.

But while I was on this mission other influences were at work, and Mr. Sénécal was not so anxious that I should have the whole order. Mr. Beatty and Mr. Patterson had interviewed him. I was called to Ottawa by Mr. Chapleau, with the result that the Dominion Type Foundry was allotted 40,000 pounds of the minion order, and Miller & Richards 80,000 pounds. The argument on behalf of the Scotch agency was that it was more patriotic to get the type made in Scotland than in Philadelphia, notwithstanding that the former would not in any way match any other type in the Bureau. Not only was Miller & Richards given this large order for minion, but about 70,000 feet of brass rule and some thousands of galleys were also ordered through them *at their own prices*. These goods we manufacture, but we were given the go-by by Sénécal for imported articles for which he had to pay higher prices. The National Policy did not trouble him. Our labour was of no account. About this time there appeared an article in the *Cornwall Freeholder*, which I took occasion to answer as follows:—

“To the Editor.

“**SIR**,—A few days ago you published a paragraph, either as a sneer at this company or a hit at the Ottawa Government—perhaps a little of both. But if you meant to convey that we could not supply the new Government Printing Bureau, let me comfort you with the assurance that we are actually doing so, and that the whole of the type required will be delivered in advance of the time specified. It is true that in addition to the regular outfit, a very large quantity of minion was required for a special job—the Voters’ Lists—and this we frankly admitted, we could not manufacture the whole of it in the short time allowed, nor could any foundry, but we offered to make more than we got an order for. How this was, and the pressure that was brought to bear to divide the order, we very well understand, and make no complaint.

“You, Mr. Editor, personally may not be aware of the capacity of our foundry, but I have no doubt the late worthy proprietor of the *Cornwall Freeholder* can give you some information as to our power to fit up a Government or any other kind of a printing office at short notice. I think you owe us this little notice:

“**GOVERNMENT PRINTING**.—As some guide to the magnitude and importance of the Parliamentary printing for the last session, it may be interesting to know that we (the Dominion Type Foundry) supplied during the winter and spring no less than 33,000 pounds, or over 16½ tons, of new type to the Government printers—Messrs. MacLean, Roger & Co., Ottawa. The whole of the type was cast and finished in our own establishment. As regards its quality, the *Ottawa Times* said: ‘The contractors for the Government printing and the printing of Parliament, before determining to deal with the Dominion Founding Company, had the quality of their type submitted to the test by experts, with the most satisfactory result; and they have found, in the promptness of delivery, the elegance of face, and the facility with which extra sorts can be obtained, substantial reasons for their belief that the Dominion Type Founding Company can give more complete satisfaction to the trade than can possibly be given by any other founders or dealers in type, whether British or American.’

“As to being highly protected, let me correct you, the duty being but 20 per cent. This is not a protective duty, as we know, and if the bulk of the duties of Canada were no higher than this you would hear little of the combines, and imported sugars and imported cottons would be as common as imported type.

“Yours truly,

“P. A. CROSSBY,

“*Manager Dominion Type Founding Co.*”

In February, March and April I made further shipments of type to Ottawa, but Senécal began to kick, refused to accept delivery, saying he had no room; but I humored him with a cheque for \$200, and a place was very easily found. This was the only cheque signed by the late Mr. Murray, and he was very much annoyed at doing so. He said to me: "Crossby, you Tories are a damned bad lot. Here I find one Senécal (the late Senator) fitting up Elmwood at the expense of the unfortunate Richelieu Company, and now his namesake, that scalawag printer fellow at Ottawa, trying to feather his nest at your expense. You must stop it, and if he persists in extorting money, sue him on the two notes, for he obtained money from you under false pretences."

Notwithstanding his order, I found I was obliged to give him more assistance in August, to the extent of \$250. From that time, things went on smoothly, but I saw there was a decided feeling towards our company on Senécal's part, and that our Toronto opponents had bought him completely over. He unblushingly told me that they were gentlemen, and knew what to do by him. However, I gave him \$125 in July, 1889, to appease his hunger, \$100 in September, 1889, I suppose for a like purpose, and \$200 in April, 1890, which he was obliged to acknowledge.

" DEPARTMENT OF PUBLIC PRINTING AND STATIONERY,
" OFFICE OF THE SUPERINTENDENT OF PRINTING,
" OTTAWA, April 9th, 1890.

" DEAR SIR,—I saw Mr. Crossby this morning, who handed me enclosed cheque which I return you for signature. I thank you very much for the accommodation which you are kind enough to give me. Please return to me by next mail, for I need the money for Friday.

" Enclosed order for Long Primer sorts. My foreman is preparing another list.
" Yours truly,

" A. SENÉCAL."

" R. G. STARKE, Esq.,
" Montreal.

Our total sales of type to the Government Printing Bureau from the 1st of January, 1888, to the 31st of August, 1891, amounted to \$58,231.41. (Including \$1,565.34 work shipped from Philadelphia.) On this, we allowed the Government the cash discount of \$5,823.14.

Monthly paid to André Senécal :—

July 15, 1887.....	\$ 125 00
September 1, 1887.....	200 00
April 19, 1888.....	200 00
August 23, 1888.....	250 00
July 10, 1889.....	125 00
September 20, 1889.....	100 00
April 8, 1890.....	200 00
Total.....	1,200 00

This made in all \$1,200 he received in cash. Besides this, one case of Pommery wine as a Christmas box, and a pier glass when fitting up his house.

After he got the last \$200 he insolently told me in the Bodega or Russell House, here, that we were due him a large amount more. Hot words passed between us, ending in my threatening to expose his conduct to Mr. Chapleau—in fact, I went to Montreal to collect all the cheques I had paid him and other papers I had for that purpose, but I did not carry out my threat. I was annoyed that I had not kept all his letters and telegrams, as some were a curiosity in their way. But it is not our custom to keep letters, except very important ones, beyond one or two years. And besides his correspondence was personally with me.

Since our row (May 1890) Mr. Crosby and Mr. Senécal have been no friends, and the foundry has consequently suffered, for his orders have been only such as he could not possibly help sending us.

About that time, I found out that he was giving orders for type to match ours to be made in Toronto, a dirty piece of work. My President, wrote him about the matter and he acknowledged that it was true, saying: "By referring to your books, you will see that you had more than your share of the patronage."

I positively declare that no letter was received by the Dominion Type Founding Co. from the Hon. Mr. Chapleau or any official connected with the Department of the Secretary of State or the Government Printing Bureau, repudiating the order given to me by Mr. Senécal on the 28th July, 1887; that no demand for a subscription to the Election funds was made before the execution of said order, or as a consideration for said order, or at any time; that about 15,000 lbs of type was delivered in Ottawa in January, 1888, at the request of the Queen's Printer, and that it was subsequent hereto, and after a large payment had been made to the Dominion Type Founding Co., that a sum of \$1,500 was paid to François Benoit; and that the said sum, I believe, was given voluntarily by the late Mr Alexander Murray, the President of my company.

P. A. CROSSBY.

4732. You are positive of those facts as being correct?—As far as the facts are concerned.

4733. That is, that a large quantity of type had already been delivered during the month of January. I think your letter was written on the 28th December. On the 28th December Mr. Starke wrote to me the document that has been already fyled?—Not Mr. Starke, but Mr. Murray. The official letters are all there.

4734. That is your letter?—Yes.

4735. The contents are true?—Yes.

4736. And should form part of your evidence as given?—Part of that statement I fyled.

By Mr. McMullen :

4737. You say no letter was received by you from Mr. Chapleau or any of his clerks, or any person in connection with his department, refering to the order that had been given for type. Was there any letter received conveying to you the idea that they were not aware an order had been given?—There was no letter at all.

4738. No letter at all?—No letter at all came into our possession. I referred to that in my evidence the other day.

4739. No letter was sent to your firm?—Not at all.

4740. What position do you occupy?—I am the manager.

4741. Have you a secretary or clerk?—I am the secretary and manager; all correspondence must come through me.

By Mr. Chapleau :

4742. I think we can clear that matter up now. I think that about that time, the month of December, Mr. Murray looking over the order, was struck by the fact that my signature was not on the order that had been given in July.—That is what he said to me,—it was a personal matter.

4743. And he took exception to that and wrote to me especially to have the order signed by me?—Whatever he did was a matter that rested with himself.

4744. Do you remember at what date the signed order was received at your establishment?—The order is signed 23rd December and he gave it to me about the 28th. The day he gave it to me, we wrote a letter asking—

By Mr. McMullen :

4744½. Who wrote?—The President.

By Mr. Chapleau :

4745. The order was the same as that given in July?—The same order.

4746. Then, on the 28th you received a letter from Mr. Chamberlin stating that if you would consent to that copy of it a demand would be made?—A letter came from the department to that effect.

4747. And it was long before the 12th February?—Oh yes, it had nothing to do with the 12th February.

4748. Can you tell me what quantity of type we really did buy from you?—About 65 tons—130,000 pounds, about that.

4749. What was the value of that?—The value was \$58,231.41. That was the total sales of type to the Government Printing Bureau from 1st January, 1888, to date.

4750. What discount did you allow the department upon that?—We allowed the Department ten per cent, or \$5,823.14. The total amount of cash paid us to date by the Government was \$52,478.27.

4751. How did your prices compare with the prices charged by Millar & Richards of Edinburgh, having an agency here, and the American Foundry?—In some instances our prices are lower.

4752. Have you the details of the prices?—For nonpareil our price is 58 cents, Miller & Richards 62 cents, and the American 64 cents; our minion is 48 cents, Miller & Richards 50 cents, and the American 56 cents; for brier ours is 44 cents, Miller & Richards the same, and the American 52 cents; for bourgeois ours is 40 cents, Miller & Richards the same, and the American 48; long primer, ours is 36 cents, Miller & Richards the same, and the American 46 cents; for small pica, ours is 34 cents, Miller & Richards the same, and the American 44 cents; for pica, ours is 32 cents, Miller & Richards the same, and the American 42.

4753. How does your minion compare with Miller & Richards?—Our price is 2 cents per pound lower.

By the Chairman :

4754. What are the prices?—Ours is 48 cents, and theirs is 50 cents.

4755. They said they delivered theirs for forty cents?—They have special prices for large quantities.

4756. Are those prices what you sold to the Government for?—No, ten per cent off those prices.

By Mr. Somerville :

4757. With that ten per cent off would your type cost less than the Edinburgh type?—No; they got an order for such an immense quantity.

4758. Your prices are lower than theirs?—Their price list price is fifty cents.

4759. They sold their minion type for fifty cents, and what did you get?—Forty-four—ten per cent off forty-eight.

By Mr. Chapleau :

4760. Do you know the Potter Press Company of New York?—Yes.

4761. Do you know Mr. McIlroy?—Yes.

4762. Will you tell me what is the reputation of the Potter Press Company as press manufacturers?—Very high.

4763. Do you know the Babcock presses?—I have heard about them. I remember more about them when they were the firm of Cotterell & Babcock.

4764. How do the Babcock and Potter Presses compare in the market amongst pressmen?—I cannot say much about the Babcock. I know the Potter presses have a very high reputation.

4765. I mean as to the name they have in the market?—The Babcock is very little known.

2†—17½

4766. With a large establishment, would they prefer the Babcock presses or would they prefer Hoe's or Potter's, or even the Cotterell?—It would be a hard question for me to answer. Press-makers are rather jealous of each other.

4767. Do you sell the Potter presses?—We do. We are their Canadian agents. We have been for a long time.

4768. What is the discount generally allowed on the sale of these presses?—Twenty-five per cent. They allow us as high as thirty per cent on special sales.

4769. But their regular allowance is twenty-five per cent?—Yes.

4770. That you speak with knowledge?—I know it very well.

4771. Do you know what discount was allowed by the Potter Company for the presses sold to the Government?—Forty per cent for the large presses and thirty-three and one third for the small ones. I am sure they would never have allowed us such a discount.

4772. Do you know if those presses were ordered as they are generally sent out by the manufacturers, or were they ordered, as you say in the trade, upon specifications?—Sometimes you can order from the manufacturers to build you a special press, and they do so. If there are any extras that you want, they will certainly put them on, but they know how to charge for them too.

4773. Were you not in New York at the manufacturer's place when the negotiations for the purchase of these presses were made?—It was I who went with Mr. Senécal to New York and introduced him to the Potter people. Being their Canadian agents, I expected we would have got a share of the commission for introducing Mr. Senécal to them; but they said they gave all to the Government and we got none.

4774. You say that you expected you might have got something as agents in Canada for the sale of these presses. Do you swear positively that the Potters said to you that they could not give you a commission because they were giving a larger commission to the Government of Canada than they usually gave to you?—Yes. The rule is with the principal pressmakers, except Hoe & Co.—whose rules are very strict in only allowing ten per cent to the agent or purchaser—to allow us 25 per cent if we effect a sale. If we not effect a sale, but if it is through our recommendation they allow us five or ten per cent commission. But in this case they could not allow the commission, as they said they gave it all to the Government. I do not know what the competition was, but there was competition against them.

4775. Do you know if there was a special specification given for these presses in some parts of the material?—I understood so.

4776. Do you remember some important parts of the machinery, or presses, which were ordered specially and which were put on the presses?—I cannot say the exact parts of the machinery that were so made.

4777. Was there an order for steel pinions?—Yes.

4778. And the steel tracks, or runners, were they to be of tool steel?—Yes. The extras on the presses were from \$200 to \$400, and I believe, beside that, there was a considerable outlay in having the presses waiting here. They got rusty and had to be cleaned before they were put up.

4779. They put in the shafting and everything as to install the presses in the establishment?—They did.

4780. Through their agent Mr. McIlroy?—Yes.

By Mr. Somerville :

4781. They did not put up the shafting?—They put up everything.

4782. Do you know that they put up the shafting at their own expense?—I understood from Mr. McIlroy that the contract with them was to put up the presses in running order and he had to put up the shafting.

4783. Do you know whether he got paid for it?—I know nothing about that.

By Mr. Taylor :

4784. They sold the machinery to the Government and were to put it in running order?—Yes.

4785. And when they came here they found the shafting lying there, but they had to put it up at their own expense?—Yes, but bear in mind that they did not supply the shafting.

By Mr. Somerville :

4786. Are you aware of yourself that they put up the shafting at their own expense?—Mr. McIlroy told me he had to put up the shafting at the expense of the Potter Company.

4787. This is simply hearsay evidence, why is not McIlroy here?—Mr. McIlroy is to-day in Washington putting up four presses, and he cannot be got here, but he told me the whole transaction.

By Mr. Chapleau :

4788. Have you seen the printing presses in the Bureau?—I have, several times.

4789. You know the Potter presses?—I do.

4790. Are they not what are called "extra fine" or "extra built" presses—the best ever manufactured by the Potter Company?—The presses are the best that the Potter Company ever made.

4791. The finest style of press made?—They are beautiful pieces of machinery.

By Mr. Somerville :

4792. You remember the day when you got the first payment of \$5,000 on printing material?—Yes, it was in January.

4793. Do you know what date?—About the 10th, I think.

4794. Do you remember the date on which the cheque was made payable to Mr. Benoit?—It was the 12th.

4795. The same date?—Oh no. One was the 12th and the other was the 10th.

4796. Your book-keeper swore that the \$1,500 that was paid to Mr. Benoit was paid the same day as you received the cheque from the Government?—I think there is a day's difference. The cheque to Mr. Benoit is dated the 12th, and I think it was the 10th when the cheque came down here.

4797. Did you ever pay any money to any other person in connection with the Printing Bureau except Mr. Sénécal?—No, I said so before.

4798. Do you know a man named Alphonse Hallaire?—Yes.

4799. Did you ever give him anything?—I believe I gave Mr. Hallaire \$10.

4800. What was that for?—To treat the boys at the banquet given to Mr. Chapleau. The workingmen were giving him a dinner.

4801. How long is that ago?—Three or four years ago. It was the big dinner at the rink.

4802. How came you to give the money to Mr. Hallaire?—I was present at the banquet and the boys were after me.

4803. What did Hallaire do at the Bureau?—I do not know.

4804. Did he receive the type there?—I cannot say.

4805. Who received the type at the Bureau?—I do not know.

4806. Was it he who weighed the type at the Bureau?—That I do not know.

4807. Did not you give him \$20?—No, sir. I am positive I did not.

4808. Are you quite positive?—I am quite positive. It had nothing to do with that other business of Sénécal's. That is the reason I swore I never gave anything to anyone else at the Bureau.

4809. Were you at the Bureau when the type was delivered?—No.

4810. Did they weigh the type or did they take your weight?—They weighed it, and if there was half a pound short, Mr. Sénécal would quickly let us know. He sent back the invoices for correction.

4811. Do you know who supplies the printing ink for the Bureau?—I could not say. I believe it is the Canada Printing Ink Company, of Toronto, but I do not know.

4812. Did you ever have any conversation with the manager of that company?—I have. Mr. Cochrane, the manager of the company told me that he supplied the Bureau with ink.

4813. Do you know if that company ever paid any commission to Senécal?—I cannot say. I do not know.

4814. Did you ever hear?—I never heard. Mr. Cochrane never told me.

4815. The reason I asked you that is, because I was told yesterday that you could give me some information about that?—Oh, no. I would tell you frankly if I had any.

4816. I understood that you said that a lot of you men, who had been selling to the department, now that you were in the soup, were determined that others equally culpable should not get off?—No. Mr. Cochrane never told me anything of the kind.

By Mr. Bergeron :

4817. Did you ever say you were in the soup?—Not much. There are some corrections I want to make in my previous evidence.

By Mr. Chapleau :

4818. Are they considerable?—Some are considerable.

4819. You desire to make some corrections in the evidence?—I do.

4820. Do you swear that the evidence as revised by you now is correct?—Yes.

4821. These are simply corrections that you desire to have made?—I desire to have them made in order to make sense.

Mr. CHAPLEAU put in the following declaration from Mr. Senécal, made and sent from the United States:—

EXHIBIT No. 29.

“ United States of America, }
 “ State of New-York, } S.S.
 “ County of Erie. }

“ André Senécal being by me duly sworn, doth depose and say that he resides in the City of Ottawa, Province of Ontario, Canada; that for the past four years up to about a month ago he was the Superintendent of the Printing Bureau of the Canadian Government; that at various times during his continuance in said office he received presents in the way of a bonus from the parties from whom he purchased the plant of the Printing Bureau, but that he never, either directly or indirectly, gave any sum whatsoever out of said presents to the Hon. J. A. Chapleau; that although he sent at various times money to the Conservative Association at Montreal, this was never done at the suggestion or request, or with the knowledge of the Hon. J. A. Chapleau; that the letter sent by deponent to the President of the Public Accounts Committee was not inspired or dictated by, or with the knowledge of the Hon. J. A. Chapleau; deponent further says that he makes this affidavit without the suggestion of said the Hon. J. A. Chapleau, with the desire to correct certain rumours now in circulation respecting that person, which said rumours this deponent verily believes to be malicious and unfounded.

“ Sworn and subscribed to before }
 me, this 25th day of Septem- } “ ANDRÉ SENÉCAL.”
 ber, 1891. }

“ MARC W. COMSTOCK,
 “ Notary Public,
 “ in and for Erie Co., N.Y.

“ State of New York, }
 “ Erie County, } S.S.
 “ Clerk’s Office. }

“ I, Charles A. Orr, Clerk of said county and of the courts thereof, the same being Courts of Record, do hereby certify that Marc W. Comstock, before whom the

annexed affidavit was taken, and whose name is subscribed to the certificate of proof thereof, was at the time of taking the same a Notary Public, in and for the said county, duly sworn and acting as such, and authorised to take the same; and further, that I am well acquainted with his handwriting and verily believe the signature thereto to be his genuine signature.

"IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said county at Buffalo, this 25th day of September, A.D. 1891.

"C. A. GRR.

"Clerk."

By Mr. Somerville:

4822. Do I understand that the Secretary of State wants to put this in as evidence?—I do not want to put it in as evidence exactly, but I want it to appear for what it is worth. I put it in here as an exhibit. I do not attach any importance to it because it has not been sworn to before the Committee, at the same time, I think it should appear as part of the proceedings.

Mr. SOMERVILLE—I think it is unfair to have this put in as evidence, because this man is an absconder and certainly it is not legal testimony?

Mr. CHAPLEAU—I will have Mr. Senécal's signature proved so that it may go on the record for what it is worth.

Mr. BROWN CHAMBERLIN re-called and further examined:—

By Mr. Chapleau:

4823. Mr. Chamberlin, can you state whether this is the signature of Mr. Senécal?—I believe it is, it seems to me to be so.

4824. You are familiar with his signature?—I am.

ALPHONSE HALLAIRE called, sworn and examined:—

By Mr. Somerville:

4825. What position do you occupy in the Printing Bureau?—I am store-keeper.

4826. Is it your duty to weigh the type from the different foundries, that is purchased for the Government?—Yes, sir.

4827. Did you weigh the type from the Dominion Type Foundry?—Yes, sir.

4828. To whom did you report?—To Mr. Senécal.

4829. Mr. Hallaire, did you ever receive any money from Mr. Crossby?—Yes, sir. I received \$10 on the occasion of the banquet to Mr. Chapleau.

4830. Did you ever receive more than \$10?—No, sir.

4831. How did you come to get the money?—Because I asked him to have a glass and he said no, he was not drinking, but he gave me the \$10 to treat the boys. I spent the money—we had three bottles of champagne.

4832. That would not treat many of the boys?—Well, that is how it came to be given.

4833. Did you ever tell anyone in connection with the Bureau that you received more money from Mr. Crossby?—No, sir.

By Mr. Chapleau:

4834. The banquet was after the election of Mr. Lépine at Montreal?—Yes, sir.

Mr. CHAPLEAU—I wish to put before the Committee the following letter sent by the President of the Canada Paper Company in explanation of part of his evidence. It is not new evidence.

EXHIBIT No. 30.

" CANADA PAPER COMPANY (limited),
" MONTREAL, 26th September, 1891.

" DEAR SIR,—In reading over the evidence given by me before the Committee of Public Accounts, one or two matters appear, probably through the form of question put to me, to be less explicit than I would have desired, I therefore write you to put myself distinct and clear on the following matters:

" 1. The agreement with Mr. Berthiaume had no connection directly or indirectly, in any way whatever, with contracts or orders received from the Government, there was not even a suggestion or a conversation in that direction, and no consideration whatever, in any manner, shape or form, was entertained, expected or discussed, other than on the purely business basis stated in my evidence.

" 2. Regarding the larger quantity of paper supplied since the Berthiaume agreement, my answer to that question only stated the fact, that "during my absence in England, in July last, a special order had been received, which made the quantity supplied larger than usual." After my return from Ottawa, I looked into the circumstances attending that order, and found that the 3,000 reams in question had no connection with our contract, but were supplied under the following circumstances.

" A special order was issued direct from the "House" to print "Experimental Farm Reports" and "Tenant Farm Reports," requiring in all, 7,000 reams, "the whole quantity to be supplied within three weeks from date of order." The Canada Paper Company being the Government contractor for the year, were entitled to the order, but no mill in Canada could make the whole quantity within the short time given, without seriously interfering with their other engagements. The Canada Paper Company undertook to supply 3,000 reams, and did so, charging contract price. Tenders were called for the other 4,000 reams, which were divided between two other mills, at a higher price than our contract price.

" 3. I invited inquiry from the Committee as to the price and quality of the paper we have been supplying to the Government, and would have been glad to have had the opportunity of stating in evidence, that the quality is superior to any the Government have ever received, and the price lower. The paper supplied by our company during the past three or four years (the period in question) has all been super-calendered, and is not only better in quality and lower in price than any previously supplied to the Government, but will compare favourably both as to quality and price, with paper furnished to any other Government either in Europe or America, where the contracts are for much larger quantities.

" Yours, truly,

" JOHN MACFARLANE,
" *Managing Director.*"

" HON. J. A. CHAPLEAU,
" Ottawa,

" MEMORANDUM—PRIVATE.

" Evidence John MacFarlane, 17/9/91. Question 2123.

Chemicals used in paper making :

Bleaching powder, per ton—

1886-7—Cost £5 10 0 stg.

1891 — " 8 0 0 " = 46 % higher.

Soda ash—

1886—Cost £4 8 6 stg.

1891— " 6 12 11 " = 50 % higher.

" J. McF., 26/9/91."

" To HON. J. A. CHAPLEAU."

Mr. SOMERVILLE—I think it is hardly right to put in that statement of Mr. MacFarlane's? He shows that in one particular there has been an increase, but he does not show that in many other classes of material there has been any decrease in price.

H. J. BRONSKILL re-called, sworn and further examined :

By Mr. Chapleau :

4835. I think you asked me to correct before the Committee a statement made by you, on your first examination, concerning alleged commissions received by you from Austin & Robertson?—I did, sir.

4836. Have you the statement?—Yes. (Witness produces two letters.)

EXHIBIT No. 31.

“OTTAWA, 21st September, 1891.

“SIR,—Referring to the Minutes of Evidence, (question 681 by Sir Richard Cartwright), I desire to correct the amount of the transaction referred to. Instead of being under \$1,000 I have since ascertained from the Stationery Office Ledger, that the purchases amounted to \$3,463 upon which a payment of \$70 to \$80 was made.

I also am able after reflection to say, in regard to “Commission” (question 462 by Mr. Lister), that there was no percentage to be paid on any portion of goods purchased from the firm (now Austin and Robertson) and that the transaction was in the nature of a gift (given but not asked for) but not as a commission or percentage; and as to the closeness with which the goods were purchased I beg to refer you to the accompanying copy of letter, merely adding that if my object had been to obtain money it would have been very easy, without any prejudice whatever to the interest of the Government, to have materially increased the account in question.

“I am, Sir,

“Your obedient servant,

“H. J. BRONSKILL.”

“CLARKE WALLACE, Esq., M.P.,

“Chairman, Public Accounts Committee.

EXHIBIT No. 32.

“MONTREAL, 18th August, 1891.

“DEAR SIR,—In response to your enquiry as to whether we could allow any discount from the prices charged by us for such supplies as you get, would say that all our quotations made to the Government Stationery Office are (and have always been) figured on a strictly net cash basis. The percentage of profit made on such goods as you buy from us is so small that a discount for cash is entirely out of the question. In fact we may say that some of the lines bought by you have been turned over at almost cost.

“Yours very truly,

“AUSTIN & ROBERTSON.”

“H. J. BRONSKILL, Esq.,

“Government Stationery Office,

“Ottawa.

By Mr. McMullen :

4837. Have Austin & Robertson been in examination here?—No.

4838. Have you received any testimonial from that firm?—No, sir, not other than that is mentioned in the letter just read.

By Mr. Somerville :

4839. What was the amount you received from that firm?—Between \$70 and \$80.

4840. On a purchase which you stated on your first examination to amount to how much?—About \$1,000.

4841. And how much really did it amount to?—\$3,463.

4842. How much do you say you got?—Between \$70 and \$80.

4843. How do you come to say now that it was in the shape of a gift, and not as a commission?—I was exceedingly nervous on my first examination and misconstrued the question put to me.

By Mr. Chapleau :

4844. Have you not a letter in which this firm mention the present given to you and sent by them at that time?—I either have it or you have it.

4845. At all events, you received at that time a letter which you have hunted up since your first examination?—Yes.

4846. Do they mention that it was a commercial commission or not?—I think there is nothing at all in it; it was simply in the shape of a gift.

By Mr. Somerville :

4847. You had a letter from this firm, had you?—Yes.

By Mr. Taylor :

4848. This letter which you have read (Exhibit No 31) is addressed to the Chairman of the Public Accounts Committee. Are the contents of that letter true?—Yes.

4849. That is your own letter which you have just read?—Yes.

By Mr. Somerville :

4850. You were in the habit of receiving shipments of stationery from England for the Department, were you not?—Yes.

4851. Have you received any lately—within the last year or so?—Oh yes. They come every six months or so—even oftener.

4852. Did you receive, in a shipment of stationery, two boxes of cutlery and silverware in the same shipment?—No, sir.

4853. Are you positive?—I am positive.

4854. You never received anything of the kind?—No, sir.

4855. Did you ever receive two boxes, or one box, or more than one box of cutlery and silverware from parties in England with whom the Government deals?—No, sir. It is possible there may have been a sample or so sent out.

4856. Did you ever receive any samples?—Not of that kind.

4857. What would they be samples of?—A paper weight, or something of that kind. Sometimes we would buy things for the Senate and the manufacturers would send out a sample. For instance, they sent out a cabinet only last year. It has been inspected and approved, and I understand they are going to be supplied to the House next year.

4858. What becomes of these samples?—If they are charged they are sent to some department that requires them. If they are not charged they may remain in the office, or may be appropriated by myself, or perhaps given to somebody else.

4859. Some of these samples are valuable?—No, sir; not very valuable.

4860. The sample of stationery box you refer to would be valuable?—That was charged against the Senate. There are two of them, one in ash and one in oak. I think you will find them there now.

By Mr. Taylor :

4861. You have read a letter here (Exhibit No. 32) signed by Austin & Robertson. I see that this letter is written on the type-writer, with the signature "Austin & Robertson" preceded by the word "signed." Did you get a letter precisely similar to this, of which this is the copy?—I have the original letter in my possession.

4862. You have the letter of which this is a copy?—Yes.

By Mr. McMullen :

4863. Why do not you produce the original?—I did not think it would be wanted.

By Mr. Mcadonald, (Huron.)

4864. For what purpose did you make a copy?—For the Minister.

By Mr. McMullen :

4865. The letter was to yourself?—Yes. I shall be very glad to put the original in.

4866. Is that a full copy of the letter?—All that was in it.

By Mr. Chapleau :

4867. You have prepared an official statement of the purchases for the Printing Bureau as well as the cost of the working of the office, the discount, the reduction and the result of the reorganization of the Department?—Yes. The statement is as follows:—It is only, I may say a statement as regards the Stationery Branch.

4868. It has nothing to do with the Printing Bureau?—Nothing at all.

EXHIBIT No. 33.

"The Hon. J. A. CHAPLEAU,
"Secretary of State.

"SIR,—In view of recent events I deem it my duty to yourself and to myself, that I should give, shortly as possible, some account of my stewardship as Superintendent of Stationery. For this purpose I have taken the year previous to my going into the office, *i.e.* 1886-7 and the year I left it, 1890-1.

" PURCHASES AND OUTPUT.

"In the year ending June 30th, 1886-7 the purchases amounted to \$128,463.16, and the issue of goods to \$132,313.88. For the year ending 30th June, 1890-1, the purchases were \$185,089.29 and the issue \$193,037.19, consequently an increase in purchases of 45 per cent, and a little over 45 per cent in output.

" COST OF WORKING THE OFFICE.

"Near as I can calculate without exact figures the wages paid in year ending 1886-7 were about \$9,400, and those in year ending 1890-1, about \$10,093, or say an increase of 8 per cent. Thus an increased business of 45 per cent both in receipt and output, has been effected at the small increase of 8 per cent of wages.

" DETAILS OF OFFICE WORK, 1886-7 AND 1889-90.

Demands.....	10,297	increased to	13,708	—Increase	33 p.c.
Letters received...	948	do	1,411	do	50 do
Invoices	917	do	1,418	do	55 do
Letters mailed....	3,243	do	5,939	do	82 do

"Figures for 1890-1 were not made up, but doubtless would show further increase.

DISCOUNTS.

"In year 1886-7, the discounts on sterling purchases as per invoice value of £8,427 18.8 $\frac{1}{2}$, was £667.9.3 or nearly 7 $\frac{1}{2}$ per cent.

"For the year 1889-90, sterling purchases were £7,601.6.11, discount £812.15.4 or 10 per cent. The currency discounts remained almost stationery, but apart from this it will be seen that there is a clear gain on the sterling discounts of £190, which fully covers the additional working cost of office and leaving the 45 per cent increase of receipt, and output being manipulated without extra expense to the Government.

REDUCTIONS IN PRICES.

"In addition to the favourable comparative working cost, it should also be added that reductions in cost of a large number of articles extensively used, have been made, which with the restrictions as to issue of certain goods have undoubtedly led to a very large saving especially during the last two years.

REORGANIZATION.

"Without being considered tedious permit me to remind you that when I first went to the office in January 1888 it was in a very disorganized state. No sooner was the arrearages cleared off and affairs straightened out, than I was called upon to organize it on the English system. This entailed a stock list which, under instructions, was to restrict the number of articles to be issued, very sensibly, a most arduous undertaking requiring much extra labour and technical judgment, and the issue of which undoubtedly led to considerable economy as well as creating much ill-will against myself, as the officer whose duty it was to enforce these restrictions. Before this list was ready the fittings in the new bureau had to be arranged. All of them were made from my own measurements and designs, resulting in an establishment with no superior, if an equal, for its especial purposes.

An entire reorganization in the office work was also effected, ensuring the greatest promptitude in filling orders, the practical wiping out of all arrearages of supply, and a general efficiency not excelled in any commercial house. In short, the creation of the office as it now exists is the work of my own hands and head, and I do not hesitate to say that by the closest purchasing (a statement which can easily be tested by the office books), by maintaining an improved quality of articles, by efficient organization and by a thoroughly serviceable equipment, I have not striven in vain to serve the Government faithfully, nor to add that very tangible sums have been saved thereby.

ADDITIONAL DUTIES.

"In addition to the large expansion of supplies in 1890 the sale and distribution of Statutes, Criminal Laws, Hansard, &c., was turned over to the office, and also one half of the distribution of parliamentary papers and publications transferred from the House of Commons. Both these services entailed additional responsibility and work for which, however, no emolument was paid.

RESULT.

"It has been stated that I have "feathered my nest." Emphatically no. When dismissed I had not fifty dollars in the world, and the fact that I have to begin life over again in poverty is surely sufficient proof against such calumny, and my greatest enemy could not accuse me of extravagant living or expensive personal habits. No, I am alone the sufferer, not the Government to the extent of a single dollar.

"I do not seek to extenuate my indiscretion. The fact, however, remains that though the purchases amounted to \$741,676 in four years, with all the possibilities of enriching myself, I am to-day in absolute poverty.

"I have the honour to be, Sir,

"Your obedient servant

"August 27th, 1891."

"H. J. BRONSKILL.

Mr. BRONSKILL—It has been said that I feathered my nest, I wish to deny that emphatically. I am a poor man to-day.

By Mr. Somerville :

4869. Who said that?—It has been said outside—it has been said all over. It has been said very commonly in the city.

By Mr. McMullen :

4870. How long have you been connected with the Department?—Since the first of January, 1888.

4871. What was your salary?—My salary at first was \$1,100.

4872. What was it afterwards?—\$1,900.

4873. Is it impossible for a man to live on \$2,000, and to save something for the future?—No answer.

By Mr. Bergeron :

4874. When you came here I understand that you had some money of your own?—When I came to this country first I had.

By Mr. Somerville :

4875. Had you any instructions to prepare this report?—No.

4876. You had no consultation with any superior officer about the matter?—No, sir.

4877. Have you been working in the department since your services were dispensed with?—No.

4878. How did you get up the figures?—From the Departmental Reports and the records that have been published for Parliament.

By Mr. Chapleau :

4879. I will ask you one question. You have given into my hands a number of testimonials from different parties who have dealt with the department. I suppose you have received those letters from these people unsolicited on your part with one exception?—I have.

4880. I do not suppose that it would be quite regular to put in these testimonials, but you have received them since this inquiry began?—I have.

4881. And without any demand on your part except in one case?—Yes. I would like to say a word with reference to the testimony given by Mr. Morgan of Buntin Reid & Co. He was asked a question about the mill board supplied and he has mixed up my name with it. The question is No. 2,309. By Mr. Foster. "How many orders did you take from Mr. Senécal?—That is the only one I received. I think they have received small orders from him. I am not certain but they may have received small orders from Bronskill's department. It would only be a matter of a few dollars any way, and it was for stuff they usually imported themselves, but had to get here." With reference to this I would simply like to say, that so far as Mr. Morgan's firm is concerned I never received any consideration whatever from them.

By Mr. Somerville :

4882. It is not in the evidence that you did. It simply refers to the fact that you may have received purchases to the amount of a few dollars?—That is what I wish to make clear.

4883. It was the amount of the purchases and not any gift that you received?—That is so. There is another matter that I wish to say a word about. Mr. Cox in his statement brought my name up in connection with commissions that were exacted on the orders. I wish to say that I never exacted any commission. No commission was ever exacted by me on any orders that were given.

By Mr. McMullen :

4884. You claim that all you got was in the way of presents?—Yes.

By Mr. Chapleau :

4885. And that, only on the occasions to which you have referred?—Yes.

4886. So that the remark was not correctly made?—It was wrong, absolutely wrong.

GEORGE E. DESBARATS, called, sworn and examined :—

By Mr. Chapleau :

4887. You are a printer and have been in the trade many years?—Over thirty years.

4888. Have you seen the Government Printing Bureau?—Yes; I went through it.

4889. Did you examine it carefully?—Well, I went through it with Mr. Senécal; he showed me different departments.

4890. You did not go to see it specially?—No. I was there about two or three months ago. I went through it for my own satisfaction.

4891. Had you occasion specially to examine the presses that have been put there?—I examined them easually as a visitor, not technically.

4892. What presses are they?—Potter presses.

4893. Have the Potter presses a good reputation in the trade?—Oh, they have a very good reputation in the trade.

4894. Do you not remember, whether at the time that the presses were to be got for the Printing Bureau, whether I sent for you here to advise me upon the price to be paid for the machines? Did you not come to Ottawa especially to see me about it?—Yes, sir; that is a fact.

4895. I think that you conversed with me over the sale of some presses?—Yes, sir. I was agent for a firm who sold presses—Cotterell & Sons.

4896. It used to be Cotterell & Babcock?—There was a firm called Cotterell & Babcock years ago from whom I used to purchase presses, and they separated and became two firms—Cotterell & Sons and Babcock & Co.

4897. What is the standing, as far as reputation goes, in the trade, as between the Potter press and the Babcock press?—Well, I don't know much about the Babcock press. I never had any dealings with them and I have not heard much about it beyond seeing the advertisements occasionally about it. I don't think they are so well known as either the Potter's or the Cotterell's.

4898. Any large establishment that desired to have its machinery as perfect as possible—to which of the two do you think you would give the preference, the Babcock or the Potter press?—There are so many considerations involved that it is hardly possible to answer that question.

4899. At equal prices?—Well, then, of course quality has to come in. You see, the quality of a particular press that are being manufactured for the purpose.

4900. This press can be manufactured upon specifications?—Certainly.

4901. Do you not know these presses in the Government Printing Bureau were ordered by specification?—Well, I was not aware of the fact.

4902. Did you not hear it?—I have heard that, yes. I have heard it said, and Mr. Senécal even drew my attention to the fact that some parts of these presses were specially made of steel, and so on, that were generally made of cast-iron.

By Mr. McMullen :

4903. Do you know of your knowledge that the presses were so made?—No, sir.

4904. Only from what Mr. Senécal told you?—That is it.

By Mr. Bergeron :

4905. When you visited the Bureau did you notice any of these steel pieces?—I did not examine them to find out whether they were steel or iron. It is very difficult to tell except that the finished steel takes a higher finish.

By Mr. Chapleau :

4906. Are they highly finished presses?—They are all highly finished presses—very fine presses.

4907. Did I not consult you especially, and in detail and examine the price lists of the different manufacturers in New York, and the United States, upon the purchase of these presses?—I supplied you with prices, or what I thought were the prices, at which you could purchase.

4908. And we discussed it in Ottawa?—Oh, yes; we had a conversation in your office about it.

By Mr. Bergeron :

4909. The Printing Bureau is a very fine establishment?—Well, it seemed to me, going through it, very perfect and very complete.

By Mr. Somerville :

4910. Do you know what it cost?—No, sir.

4911. If you had any amount of money at your command you could furnish an establishment equally as good as that, could you not?—I don't doubt it.

4912. You might make some little improvements?—I could not say without looking more in detail. I won't risk any opinion of that kind.

4913. You have heard the discussion about the prices. Did you not come to the conclusion after hearing the prices which had been paid, that those presses cost less than what you expected they would when we discussed the matter together?—That is the case, yes. For instance, the prices that I have been told you paid for those presses were absolutely lower than I had thought you could get them for.

By Mr. McMullen :

4914. You don't know the prices, do you?—Not absolutely; I have been only told in conversation.

By Mr. Somerville :

4915. You have a pretty large establishment?—Not very large at present.

4916. Were you not at one time the Queen's Printer?—Yes. At one time I had a very large establishment, but it was burned down.

By Mr. McMullen :

4917. In Quebec?—No, sir, here in Ottawa.

By Mr. Chapleau :

4918. You came here to be a witness at my request?—At your request, yes, sir.

MR. CHAPLEAU.—I have read myself, the statement I made the other day, and I find there are little irregularities in it, incorrect statements, and even at times what appears to be a word misplaced which should not be there. There are a number of corrections I desire the clerk to have made in my statement.

MR. SOMERVILLE.—I understood Mr. Bowell was going to make a statement to the Committee to-day in regard to the Printing Bureau matter.

MR. BOWELL.—I said I might make a statement and have no objections to do so. The conversation as detailed by Mr. Barber the other day is substantially correct as I stated on Friday. I had heard rumours on the streets of improper conduct on the part of Senécal and Bronskill, which had taken place in reference to the purchase of supplies for the Bureau. I saw Mr. Barber, knowing that his firm had been supplying goods to the Department, and I asked him to come to my room at the hotel after dinner. We had a conversation as detailed by him here. His objection to tell Mr. Chapleau about Senécal's doings, when asked to do so by me, was for the reason that

he himself gave. He omitted, however, to state that I pointed out to him the unreasonableness of the position he was taking—when he had said that he would not tell Mr. Chapleau, because he did not know what relation Mr. Senécal held towards the Secretary of State, and that it might affect his contracts with the Government in the future. I told him that that was an objection that I did not think valid or correct; that if this man had been doing an improper act, he being a servant of the Government, it was Mr. Barber's duty to tell Senécal's chief, and that from what I knew of Mr. Chapleau, it could not be possible for him to be under the control of Mr. Senécal or anyone else. I therefore told Mr. Barber that he was in duty bound to give the information to Mr. Chapleau. I informed him that in view of our conversation I should deem it my duty to bring the matter under the notice of the head of the Government, if not Mr. Chapleau himself. Upon reflection I thought it better to speak to the First Minister. I did speak to Sir John Macdonald. I repeated to him the conversation I had with Mr. Barber, and I told him that he, as the head of the Government, had better speak to Mr. Chapleau rather than myself, as it would be preferable that he should call Mr. Chapleau's attention to it. He told me he would do so. Sometime after I had another conversation with Sir John in reference to the matter, when he informed me he had spoken to Mr. Chapleau; that Mr. Chapleau told him he did not think there was anything in it; that he had made an investigation voluntarily into one charge of which he had heard, and that there was nothing in it at all. A short time afterwards Sir John Macdonald was taken ill, and there is the whole story. I have no hesitation in saying, I am quite satisfied in my own mind that had Sir John lived he would have brought the matter clearly and fully to the notice of the Council. He did intimate to me, I forgot to mention it before, that a thorough investigation should take place, under oath if necessary, into all the facts in connection with the matter.

Mr. BERGERON—You never spoke to Mr. Chapleau about it.

Mr. BOWELL—I did not, because as I have already explained I thought it was better the head of the Government should do it rather than myself. I thought my duty was to speak to the First Minister, as I knew it was a scandal which should be investigated. I remember stating to Mr. Barber, that if it came before the Public Accounts Committee, that I, as well as the Government, would do our best to ferret the matter out.

Mr. SOMERVILLE—Did Sir John take any action in regard to the matter after you spoke to him?

Mr. BOWELL—I have already said he did bring the matter to the attention of Mr. Chapleau, and Sir John told me Mr. Chapleau said he had made an investigation into one point and found there was nothing in it. It was then that Sir John said, after I had the conversation with him, that the whole thing should be fully investigated by a Commission or in some other way, and that the evidence should be taken under oath.

EVIDENCE OF MR. J. BROOKS YOUNG, TAKEN AT MONTREAL IN THE
CASE OF THE NEW ENGLAND PAPER COMPANY, *PLAINTIFF*;
T. BERTHIAUME, *DEFENDANT*.

[NOTE.—*The portion of Mr. Young's evidence printed in italics on page 252 of these Minutes of Evidence and placed between brackets, is the portion of the evidence ordered by the Court to be struck out as irrelevant.*]

PROVINCE OF QUEBEC, }
District of Montreal. } IN THE SUPERIOR COURT FOR LOWER CANADA.

No. 1655.] Present :—The Honourable Mr. Justice de Lorimier.

NEW ENGLAND PAPER Co.,
Plaintiff.

T. BERTHIAUME,
Defendant.

IN THE YEAR OF OUR LORD one thousand eight hundred and ninety-one,
On the second day of February,
Personally came and appeared J. BROOKS YOUNG, of the City of Montreal, Manufacturer, aged fifty years, a witness produced on the part of the Plaintiff in this cause.
Who, being duly sworn, deposeth and saith :—
I am not related, allied, or of kin to, or in the employ of any of the parties in this cause.
I am not interested in the event of this suit.

Q. You are the President of the Plaintiff company?—A. I am.

Q. Do you remember those contracts being entered into with Messrs. Wurtele & Co., filed as Exhibits 1 and 2 in this case?—A. I do.

Q. Do you remember Messrs. Wurtele & Co. disposing of their business about the first of October last?—A. I do.

Q. Will you look at this statement, filed as Exhibit No. "3A," and state whether that is a statement of the indebtedness of Wurtele & Co. as it existed at the date of the sale of their business?—A. It is.

Q. That was the amount due the New England Paper Company?—A. Yes; that is the amount.

Q. Will you look at Plaintiff's exhibit, No. 3, and state whether that is the agreement which was entered into with the new proprietors of *La Presse* with respect to the settlement of the claim mentioned in Exhibit No. "3A"?

Objected to.

Objection reserved.

A. It is.

Q. And for a further purchase of paper?—A. Yes; and as a continuation of the same contract.

Q. Under this new contract did the New England Paper Company continue to supply paper for *La Presse*?—A. They did.

Q. Was the paper delivered to the same premises as it was during the time that Wurtele & Co. conducted the business?—A. It was, as far as I remember.

Q. Do you remember where the premises were located?—It was at Messrs. Gebhardt & Berthiaume.

Q. Messrs. Gebhardt & Berthiaume were at that time publishing *La Presse*?—A. Yes.

Q. Were the notes given in settlement, as mentioned in the agreement, Exhibit No. 3?—A. They were.

Q. And as mentioned in the statement, Exhibit No. "3A"?—A. Yes.

Q. Up to what date did the Plaintiff company continue to supply paper under the contract for the publication of *La Presse*?—A. To the 14th of March, 1890, as I remember.

Q. They ceased taking paper then?—A. They did.

Q. Had they notified you in any way before of their intention to do so?—A. They did not. We were to be notified in writing about all those things. We never had any notification whatever. We heard on the street these rumours, and hearing the rumours I went back to my office and wrote the letter to Berthiaume, thinking that was the manliest way out of it, asking if it was true.

Q. You wrote the letter of date the 25th of February?—A. Yes.

Q. Asking Berthiaume if it was true?—A. Asking him the straight question if it was true—that I was constantly hearing rumours on the street, and asking if it was true.

Q. Did you receive any answer to that?—A. I received no answer whatever. I received no communication whatever in writing, except these contracts with Berthiaume.

Q. Will you take communication of Plaintiff's exhibit "A1" at *enquete* and state whether that is the letter referred to as having been written by you to Berthiaume on the 25th of February last?—A. That is the letter, and to which I received no reply.

Q. You stated, I understand, that you heard those rumours outside?—A. I heard these rumours outside. I heard it in a number of places, something like this:—"I understand you are going to lose *La Presse*." "I understand that the Canada Paper Company is going to supply *La Presse*." I said: "I do not know anything about it; they will notify us if it occurs." We never received any notice. After hearing these rumours the last time in the post-office, I went home and wrote the letter, thinking if there was any truth in it Mr. Berthiaume would have the courtesy to write a letter and tell me so.

Q. I believe it was the custom of the Plaintiff company to carry a certain quantity of manufactured paper for the purpose of supplying the requirements of this contract?—A. It was absolutely necessary to do that. We never know when we are going to have a break down. We never know when we are going to have a flood, and we are obliged to carry a certain quantity of paper. Not only that, but our mills are located some hundred miles away, and there might be a break down on the railroad. It is absolutely necessary, where you are running a newspaper, to carry a certain amount of paper.

Q. I believe this paper was a special size?—A. It was a special size. I do not know of any others using it but *La Minerve*, at one time, and that only a small quantity.

Q. *La Presse* is the only customer you had that used that paper?—A. The only customer we had that used that size. It is an odd size.

Q. This paper, I understand, was made specially for *La Presse*?—A. It was made specially for *La Presse*.

Q. Do you remember about what quantity you had on hand on the 14th of March, the date when the contract was broken?—A. I do. We had about fifty-six rolls, as it appears, and that is a very small quantity. I told them time and time again at the mills never to run less than a hundred rolls, and one hundred and fifty was small enough; but we got down to that; they had other orders, and to my astonishment I found they had only fifty-six rolls when they came to take account of stock. We should have had one hundred and fifty.

Q. About what quantity of paper was *La Presse* using per month?—A. They were using from forty-five to fifty-five rolls a month. These fifty-six rolls were just about one month's supply.

Q. Was that paper of a special grade and weight?—A. Yes; it was.

Q. Do you know what became of that paper afterwards?—A. It was bought by the Canada Paper Company, and the Canada Paper Company sent it up to *La Presse*, and *La Presse* used it. Yet, they state here that it was paper they could not use. Mr. White says they could not run the paper over their press.

Q. Do you know whether a tender of that identical paper was made to *La Presse*?—A. There was, most decidedly.

Q. And it was only after their refusal to take it that it was sold?—A. They refused to take it because, they said, they had plenty of stock on hand. We knew then very well that they were buying paper somewhere else, of course.

Q. Was that the same paper which was afterwards sold by Messrs. Duff & Fraser?—A. The identical same paper. We sold it at auction, because it was an odd size, and we did not know to whom to sell it, and we simply put it into auction and sold it. If it had been an ordinary-sized paper we could have found customers for it.

Q. You sent a quantity of the paper to Duff & Fraser, and it was sold by sample?—A. We sent three rolls out of the lot, and specified that the balance was exactly the same and it would be sent from the mills.

Q. They were afterwards delivered?—A. They were afterwards delivered.

Q. Do you remember where they were delivered?—A. They were delivered at *La Presse* office, at Gebhardt & Berthiaume's.

Q. I understand you to say that they replied that they had plenty of paper on hand?—A. Yes.

Q. Was it possible, from the quantities which they were receiving from you, that they could have had plenty of your paper on hand?—A. Certainly not.

Q. Do you remember about what quantities?—A. They were only ordering in small quantities, for the reason that in the contract they were to pay these bills every month for what paper was taken during the month, and they would order each week as little as they could. Sometimes it would be six rolls sent up, sometimes three rolls, and so on. In that way they did not carry a stock; it was not necessary. We carried a stock at our store and at the mill, but their principal reason for ordering small quantities was on account of payments. If they ordered six rolls this week, and came next week for six more, we sent it for them, and the bill did not come due so quickly as if they ordered double the amount.

Q. Was it an unusual occurrence to have a telephone message to send paper at once?—A. It was a weekly occurrence. That is the way most of the paper was ordered: "Please send us immediately so many rolls." These orders came over the telephone, and we sent the paper up as soon as possible, occasionally being blowed up because we did not get it there sooner.

Q. This statement, No. 7, I think, shows the amount that you realized on account of the paper?—A. That was the amount—eight hundred and fourteen dollars and thirty-four cents (\$814.34)—that is the amount that we received a cheque from Duff & Fraser for, for the sale of the paper.

Q. Did you have to pay a rebate on any of that amount for the cores?—A. I do not remember that.

Q. At any rate, if you did it would simply go to reduce the amount you received?—A. If we did not, we should—that is all. The cores are simply iron pipes that go through the centre of the roll on which the paper is round, which we take back.

Q. If you got a rebate for this it would go to reduce the amount?

Objected to.

A. I do not know if we got them.

Q. Will you take communication of Plaintiff's exhibit, No. 8, being the notary's account, and state whether that is the account which you paid for notarial services rendered in connection with this matter?—A. Yes.

Q. Amounting to twenty-seven dollars and ten cents (\$27.10)?—A. Yes; twenty-seven dollars and ten cents (\$27.10).

Q. Was it a usual thing, in the course of this business, for your company to render statements from time to time?—A. We rendered a statement every month without fail.

Q. Can you state the amount of loss sustained by you on the sale of that thirty-two thousand three hundred and sixty-seven (32,367) pounds of paper?—A. Well, there was the difference between what we received, two and three-quarter cents, and

2½—18½

five cents, less the expenses, whatever they are—eight hundred and four dollars and one cent (\$804.01).

CROSS-EXAMINED.

Q. You stated in your examination in chief that the contract for breach of which you claim damages by this action is this Exhibit 3 of the Plaintiff—is that right?—A. I think it is—yes.

Q. Is there any amount due to the Defendant, Berthiaume, under the last clause of that contract?—A. Should the New England Paper Company or Mr. J. Brooks Young receive any contract for paper from the Government, one-half of any profits arising from the same shall go towards liquidating the above indebtedness. No; Mr. Berthiaume has never.

Q. In these statements which you produced you show no credit for anything of that kind?—A. No; I do not.

Q. As a matter of fact, was there any contract with the Government?—A. There was.

Q. What did it amount to?

Objected to as going outside of the pleadings, as illegal and irrelevant, and not being within the limit of the pleadings.

Objection reserved.

A. As I remember, the sale to the Government was about one thousand dollars (\$1,000), the profit on which was very small.

[Q. *What was the amount of the profit?*—A. *I do not remember. I should say in the neighbourhood of \$100. At any rate, there was a mistake about it. The mistake came about in this way—I will have to explain. We understood when we took this paper that we were to receive orders from the Government through Mr. Chapleau for paper in his Department, of which one-half of the profit should go to pay the ten per cent on these notes. In that way Mr. Chapleau would not have to put his hand in his pocket to take money out, but it would be applied on this paper and his indebtedness would be cancelled without any expense to him. That was the understanding when the contract was entered into. The first order was about \$1,000, or something like that, and the price—*

Q. *I want to know about the profit?*—A. *In asking that question there is something beyond it, and I would have to tell it in order to answer that question properly.*

Q. *I ask you what is the amount of the profit you realized?*—A. *About \$100.]*

Q. What was the amount of the profit?—A. About one hundred dollars (\$100.)

Q. Are you prepared to swear that it was not more than one hundred dollars (\$100)?—A. No; I am not. I do not want to swear to what I do not know—about one hundred dollars.

Q. Are you prepared to say that it was not two hundred dollars (\$200)?—A. I can only answer that it was about one hundred dollars (\$100).

Q. Wasn't it more than two hundred dollars?—A. I do not think it was. I should say one hundred dollars (\$100) more or less—that means one hundred and twenty-five dollars or seventy-five dollars.

Q. Did you credit Mr. Berthiaume with any thing at all?—A. I offered to credit him, and offered to give him his fair half of it, but when he found how small it was he said: "No; there is a mistake somewhere; the prices should have been higher."

Q. What was the amount due to Mr. Berthiaume—that is what I want to get at—do you remember?—A. No; I do not. I can get it for you.

Q. This contract that you refer to was the only one, was it?—Yes.

Q. Referring to your letter of the 25th of February, you stated in your examination in chief that you had no answer to that letter?—A. Yes.

Q. Do you still say that?—A. I do.

Q. Do you mean that you had no answer in writing or that you had no answer at all?—A. I mean that I had no answer in writing.

Q. Then you had a verbal answer?—A. I am not sure of that.

Q. Do you know a Mr. Godin?—I do.

Q. Is he here present in Court?—A. Yes; he is sitting there.

Q. Do you know if, on the 25th of March or about that time, he was in the employ of Mr. Berthiaume?—A. He was in the employ of *La Presse*.

Q. You knew him as an employé of *La Presse*?—A. Yes.

Q. Did you see him in reference to this letter?—A. Not that I remember of.

Q. Did he call on you in reference to that letter?—A. Not that I remember of.

Q. Are you prepared to say that he did not call on you in reference to that letter?—A. No; I am not. The letter was addressed to Mr. Berthiaume.

Q. As a matter of fact, did not Mr. Godin see you a number of times during the months of January and February, 1890, in reference to the contract with *La Presse*?—A. Yes.

Q. Will you state what was the nature of the conversation with Mr. Godin?—A. I cannot tell, because I do not remember.

Q. What information did you get?—A. It was something like this: in settling his accounts he asked us to take off more discount than the contract called for, and in one or two cases I took it off. I said: "Mr. Godin, I will do this for you, not for the company," for Mr. Godin personally, not for the company. I said: "Mr. Godin, I will take that off personally for you, not for the company. You are trying hard. You are a new man here just come from another office, and I will take it off. Tell the office to credit you for it; I do it for your personal benefit." Afterwards, he asked to have that discount continued. I said: "No; we cannot do it." He said: "There is trouble up there; if you do not do it you will lose your account." I said: "I do not think so." He said: "I am afraid you will;" but the conversation was in that strain from time to time.

Q. And your only object was to assist Mr. Godin?—A. The only object I had in taking that discount off was to assist Mr. Godin personally in the standing of his company, and I told him so at the time.

Q. Not his standing with you at all?—A. Not his standing with me at all.

Q. It naturally would not have that effect I presume?—A. Mr. Godin and I were interested in the "Imprimerie Générale" affair, and he did lots of favours for me one way or another, and was always very considerate and kind.

Q. Although you recollect a good deal of the details of these conversations—A. I do not recollect the details; I recollect it generally.

Q. You have given us some details. Can you not refresh your memory as to the cancellation of the contract and the fact that Mr. Berthiaume was going to get his paper elsewhere?—A. The contract never was cancelled until the money was paid, and whatever talk there might have been with the clerk would not be sufficient to cancel it. A clerk might come into my office to tell me that this thing or that thing was going to happen. I have contracts with a dozen newspapers, and suppose their clerks were to come and talk to me in that way I would not mind it. I do not mind the talk of clerks. I should have had written notice if it was intended to cancel the contract. I know that Mr. Godin was trying to get a discount every time he came in. He would say: "The first thing you know you will lose your contract." Certainly, that was not the way to disregard a contract. I wrote Mr. Berthiaume square and straight: "I hear these rumours; is it true?" What more could a man do than that? His clerks were telling me this thing and that thing—

Q. I want to know what clerks were telling you?—A. I do not know—all sorts of things.

Q. You knew that Mr. Godin was Mr. Berthiaume's agent?—A. I knew that Mr. Godin, every time he came into my office, would try to whittle down the price of the paper. Anything further than that I cannot tell you.

Plaintiff objects to any verbal testimony being admitted tending to establish verbal notices of the cancellation of the contract referred to in Plaintiff's declaration.

Objection reserved.

Q. Was the information which you referred to in your letter of the 25th of February ever confirmed, and if so, when?—A. In my opinion, it never was confirmed.

Q. When were you first aware of Mr. Berthiaume's intention to get his paper elsewhere?—A. I cannot give you the date, but it was when Mr. MacFarlane, of the Canada Paper Company, told me that he had made a contract with *La Presse*.

Q. Do you recollect about the date?—A. I do not remember the date at all.

Q. Do you know if it was before or after *La Presse* ceased taking paper from you?—A. I do not know. They had not ceased taking paper then.

Q. You say they had not ceased taking paper then?—A. No; we were supplying them then.

Q. Do you know how long it was after the Canada Paper Company's contract was made?—No.

Q. Did Mr. MacFarlane tell you at the time?—No; he did not.

Q. You mean Mr. John MacFarlane, the managing director of the Canada Paper Company?—A. I mean Mr. MacFarlane, the managing director of the Canada Paper Company.

Q. You knew his position in the company when he told you?—A. I knew he was the manager. I did not know about the managing director.

Q. Can you say when these fifty-six rolls of paper were manufactured?—A. I cannot.

Q. Did you not keep any record of the manufacture of paper?—A. Yes; there is a record kept in the office.

Q. Could it be found out?—A. It could be found out.

Q. Could you let us know when you come back after the adjournment?—A. I could not. We would have to write to the mill; they would have to go back and ascertain all about it, and it would take some time.

Q. Can you say approximately?—A. No; I cannot. I have not the least idea.

Q. Was it manufactured in the month of February, 1890?—A. I do not know.

Q. Was it manufactured in March, 1890?—A. I do not know.

Q. Have you any idea at all?—A. I have not. I would not know, because I do not follow the details enough to know that. Of course, it can be ascertained easily enough by writing to the superintendent and asking him at what date the paper was made, but I would not know that; I would not follow the details.

Q. Do you know when this paper was delivered to your warehouse in Montreal?—A. I do not.

Q. Could you find that out?—A. I guess they could at the office tell when it was delivered and find the freight bill and all about it.

Defendant's counsel applies for an order of the court requiring the witness to answer this question after the adjournment.

Q. Will you be able to say approximately when this paper was manufactured?—A. No; I have not the least idea when it was made. As I have told you, I would have to write to the mill and ascertain. I cannot tell when the paper is made or anything about it, but certainly in our office or at the mill we can tell all about it. We keep a record of everything in the books. I do not think the president of the company is expected to know when the paper is made or when it is shipped.

Q. Do you know what the practice is in your company, and what it has been during the time this contract was running, with regard to the manufacture of this paper as to quantities—was it usual to manufacture a large quantity at a time and keep it in stock?—A. Yes; they would run on it. Any paper-maker knows that when we start to run on paper we would run a quantity.

Q. You said in your examination in chief that it was usual for *La Presse* to telephone down and use about five or six rolls a week—is that right?—A. No; I do not think I stated that. I do not remember saying that.

Q. I thought you said they wanted about five or six rolls a week?—A. At a time.

Q. How was it delivered?—A. I have a record of just how it was delivered.

Q. What were the average weekly deliveries?—A. For instance, on February 14th, they ordered six rolls; February 18th, six rolls; February 19th, two rolls; February 24th, six rolls; February 21st, three rolls; February 26th, three rolls; March 4th, six rolls; March 12th, one roll; March 13th, three rolls; March 14th, six rolls—forty-one rolls; but you see they were ordering sometimes six rolls, sometimes less. They ordered it in as small quantities as they could.

Q. Has that been their practice?—A. That was their regular way of ordering. You see some days they took two rolls, some days three, some days six.

Q. Where is this paper manufactured?—A. It is manufactured at Portneuf.

Q. What is the usual delay after shipping from the mill before the paper is in your warehouse?—A. We calculate about three days. Sometimes it takes two or three weeks, sometimes it gets blocked, sometimes side-tracked. We usually bring it in carload lots, and it takes about three days if there are no interruptions. If paper leaves there to-day we receive it on Thursday morning, unless there is a storm or some unforeseen accident.

Q. Have you manufactured any paper of this particular grade and quality since *La Presse* ceased taking it from you?—A. No; we have not a customer in our books that uses that paper except *La Presse*. I looked that up the other day—not a single customer in our books that use the paper that that contract calls for excepting *La Presse*, and that is why we sold it at auction.

Q. You sold all you had of course?—A. We sold all we had of it.

Q. How long does it take to manufacture that paper?—A. What paper do you refer to—the fifty rolls?

Q. No; this class of paper. What is the time occupied in the manufacture of this class of paper? Suppose you were ordering a fresh lot to-day, how soon could it be delivered in Montreal—fifty-six rolls for instance?—A. That would depend a good deal on how the mill was situated.

Q. Allowing for contingencies, what would you average it?—A. You cannot average it.

Q. What is the longest time?—A. Six months.

Q. That is the usual time?—A. No, it is not the usual time. If my mill were running say on thirty five inch paper, the stock as we call it that is made to make that paper, it takes three or four days to prepare it. After you prepare it you start a run. In order to change you have to run out what particular stock you require for this paper, and if I have enough for two weeks stock, it takes two weeks, then we wash up the machines, made new stock and start in again.

Q. How long would all that take?—A. It would take two weeks.

Q. You consider that a good average delay, an ordinary delay to produce that paper? The monthly statement you mention in your examination in chief as having been rendered, what did that comprise?—A. That comprised the paper used the previous month.

Q. It was not a complete statement of the indebtedness?—A. No, because the balance of the indebtedness was given in notes and there was no need of a statement. We gave statements regularly every month. He says that is not a statement of the notes, but they had the notes and had a statement in their offices. We do not make a statement of notes: no merchant does.

Q. This statement then only contained the sales of the previous month?—A. Yes; what paper they had during the month.

Q. In your examination in chief, you spoke as to the reply which was made to the protest. You said that the reply was that there was plenty of paper on hand and that that was Berthiaume's reply, how do you know that?—I do not think it was Mr. Berthiaume's reply, but that was the reply of some one that received the paper sent by the drayman that brought it back.

Q. Do you know anything about it personally?—A. I know that the drayman came in and said they would not take the paper. All I know is what the drayman told me when he brought back the three loads. I did not have any conversation with him.

Q. You say when the paper was subsequently delivered at *La Presse* office you were not there and did not see it delivered?—A. No, I did not see it delivered. These rolls weighed five hundred pounds a piece. We have got to have a drayman to deliver them.

And further for the present Deponent saith not, and his cross-examination is continued until to-morrow at half-past ten o'clock a.m.

On this third day of February in the year of Our Lord One thousand eight hundred and ninety one, personally re-appeared the said Witness, and his cross-examination was continued as follows:—

Q. Will you produce the statement asked for yesterday?—A. I cannot produce that statement.

Q. Please explain why? I asked for a statement of the dates when the paper was manufactured and when it came to the warehouse and so forth. I understood you to say that from your books in the office you could tell that?—A. We cannot tell at the office when that paper was made. We had to write to the mill to ascertain when it was manufactured there. We wrote yesterday to the mill, and it will take two or three days to get a reply.

Q. Could you not have telegraphed?—A. We could not telegraph very well and have an explanation of what was wanted.

Q. Do you mean to say that there is no means of saying approximatively from the books in your office when that paper came into stock or was manufactured? A. There is a means of telling at the office, at the mill.

Q. But at your office here?—A. No.

Q. Are you prepared to swear to that?—A. Well, no; I will not swear to that.

Q. Please explain then why that statement was not produced?—A. The reason the statement was not produced, was because I could not ascertain at the office when the paper was made, and I simply sat down and wrote to the mill asking them to tell me just when the paper was made there—the date.

Q. I understand from what you say now that you can tell approximately from your books in the office, if not the exact time, at least about when the paper was made; is that so?—A. Yes.

Q. Can you give it to me now?—A. There was about thirty rolls of it, as near as we can find out, made in March, but what part of March we cannot tell until we write to the superintendent and find out at what date such and such paper was made.

Q. March of what year?—A. 1890.

Q. Thirty rolls made in March, 1890?—A. About thirty rolls made in March, 1890.

Q. And the balance?—A. I cannot tell you; it was made before that of course.

Q. Long before that?—A. That I do not know.

Q. When you say thirty rolls of this paper, you refer to a part of the fifty-six rolls sold to the Canada Paper Company?—A. Yes.

Q. Those particular rolls?—A. Those particular rolls.

Q. You are aware that Berthiaume continued to take paper up to the 14th of March?—A. Yes.

Q. Are you quite certain that the particular rolls that were sold were not manufactured prior to February for instance?—A. I do not know. I cannot tell that until I get the dates from the mill—I cannot tell just when they were made.

Q. You are not prepared to swear positively that the thirty rolls that you refer to as having been manufactured in March, 1890, were part of the paper that was sold by Duff & Fraser—are you prepared to swear that?—A. Yes. There is no doubt about that, I will swear to that. I will produce such a statement as exhibit "A-2" at *enquete*, showing the dates of the manufacture of the paper of which there remained a balance of fifty-six rolls in question, and the dates at which the paper was shipped from the mill to Montreal.

CROSS-EXAMINED by the Company Defendant.

Q. What company do you refer to in the reply to the first question in your examination in chief?—A. *La Presse*.

Q. How do you know that this document Exhibit "3" is the contract entered into with the new proprietors of *La Presse*?—A. I know because we wrote the contract and signed it, and Mr. Berthiaume representing *La Presse* signed it.

Q. Representing *La Presse*?—A. Yes.

Q. Not the new proprietors of *La Presse*?—A. I do not know about that.

Q. So you do not know anything more than what is written in the document?—
A. I only know what is written in that document.

Q. Nothing more?—A. Nothing more.

Q. Have you ever dealt with the Company Defendant in any manner whatever?
—A. *La Presse* do you mean?

Q. The Montreal Printing and Publishing Company?—A. Why, we call it *La Presse*—is that the same company?

Q. *La Presse* is the name of the newspaper, but the Montreal Printing and Publishing Company is the name of the company who have been the owners of *La Presse*, but they do not publish it?—A. All I know is, our business has been with what we call *La Presse*, and Mr. Berthiaume was the proprietor of *La Presse*, and *La Presse* was offered to us for sale as *La Presse* and we refused to buy it, and Mr. Chapleau bought it under some arrangement we had, for Mr. Berthiaume I understand. Why the cheques that we received in payment for our paper were signed *La Presse* for Mr. Berthiaume. The paper that we sold for this company, *La Presse*, when we received pay, the cheques were written *La Presse*, Mr. Berthiaume, Editor, or something of that kind.

Q. You never sold anything to the Montreal Printing and Publishing Company?
—A. I do not know.

Q. Can you ascertain?—A. I do not know.

Q. Have you that name in your books?—I do not know.

Q. Can you ascertain?—I can, certainly.

Q. You will please bring your books if your answer is affirmative to this question?—A. You can produce the notes that were signed.

Q. Have you ever had any notes signed by the Montreal Printing and Publishing Company?—A. No, I do not think so.

Q. Have you any account in your books against that company?—A. I do not think we have.

Q. Can you ascertain?—A. Oh, certainly.

And further deponent saith not; and I certify the above to be an accurate transcript from my short-hand notes of the deposition of this witness as taken by me at *enquete*.

(Signed)

GEO. C. HOLLAND,
Official Stenographer.

(True copy.)

GEO. H. KERNICK,
Deputy Prothonotary.

PROVINCE OF QUEBEC, } IN THE SUPERIOR COURT FOR LOWER CANADA.
District of Montreal. }

No. 1655. *Present* :—The Honourable Mr. Justice De Lorimier.

NEW ENGLAND PAPER CO., <i>Plaintiff,</i>	{	IN THE YEAR OF OUR LORD one thousand eight hundred and ninety-one, On the fourth day of February, PERSONALLY CAME AND APPEARED
J. BERTHIAUME, <i>Defendant.</i>		J. BROOKS YOUNG, of the City of Montreal, manufacturer, recalled by the Defendants, aged fifty years, a witness produced on the part of the Defendants, Who, being duly sworn, deposes and saith : I am not related, allied, or of kin to, or in the employ of any of the parties in this cause. I am not interested in the event of this suit.

Q. Did you bring with you the statement asked for yesterday?—A. I did not. We wrote to the mill for it, and it will take a few days to get it. It was the date

on which those rolls were made. I wrote to the Mill to the Superintendent, if possible, to look up the day on which the rolls were made and send it to us with all possible despatch. It will take him three or four days to do that, sure. It was a long time ago.

Q. You said you had books in the office that would show it?—A. The books would not show that.

Q. But it would show the date of the receipt of this paper here?—A. It was received the day it was sold. The fifty-six rolls that were sold at auction were at the mill. It was not brought here after it was made. It was brought here after it was sold, and sent directly to *La Presse*.

Q. When the rolls were sold they were not here?—A. No, they were not here. They were at the mill.

Q. Were they sold at the mill?—A. They were sold by sample. There were three rolls sent as samples to Duff & Fraser, and the balance was at the mill and was not ordered down until it was sold and then it was ordered down.

Q. Do you remember the date of the sale?—A. No, I do not.

Q. Do you remember the month?—A. It was in May, I think.

Q. And you are quite positive that the paper was not here until after the sale was made?—A. Yes. There were three rolls here before, and the fifty-six were sold by the sample of three, and the paper was not delivered until after the sale was made and then we asked where we should deliver it.

And further deponent saith not: and I certify the above to be an accurate transcript from my shorthand notes of this deposition as taken by me at *enquete*.

(Signed)

GEO. C. HOLLAND,
Official Stenographer.

True Copy,
GEO. H. KERNICK,
Deputy Prothonotary.

PROVINCE OF QUEBEC, } IN THE SUPERIOR COURT FOR THE PROVINCE OF
District of Montreal. } QUEBEC.

No. 1655.

NEW ENGLAND PAPER Co.,
Plaintiff.

T. BERTHIAUME,
Defendant.

M. E. DOHERTY, Stenographer of the said Superior Court for the said district of Montreal, promise under oath that I will truly and faithfully take the evidence in this cause by means of stenography; that I will as soon thereafter as possible make a true and faithful copy, for each deposition, of my stenographic notes by the transcription thereof, and certify such copy under my present oath, in order that it may form part of the record in this cause. And I have signed.

Sworn before me at }
Montreal, this 13th day } (Sgd.) M. E. DOHERTY.
of February, 1891. }

(Sgd.) D. GAREAU,
Deputy.

True Copy,
GEO. H. KERNICK,
Deputy Prothonotary.

PROVINCE OF QUEBEC, }
District of Montreal. } IN THE SUPERIOR COURT FOR LOWER-CANADA.

No. 1655.] *Present* : The Honorable Mr. Justice De Lorimier.

NEW ENGLAND PAPER Co.,
Plaintiff.

J. BERTHIAUME,
Defendant.

IN THE YEAR OF OUR LORD one thousand eight hundred and ninety-one.

On the third day of February

PERSONALLY CAME AND APPEARED

J. BROOKS YOUNG, of Montreal, President of the Company, Plaintiff, aged years, a witness produced on the part of the Defendant in this cause.

Who being duly sworn, deposes and saith :

I am not related, allied, or of kin to, or in the employ of any of the parties in this cause.

I am not interested in the event of this suit.

Q. Mr. Young, at the time you entered into that agreement filed as exhibit number three, Mr. Berthiaume was indebted to you in a sum of about ten thousand dollars, to your company, I think?—A. Yes.

Q. Mr. Berthiaume, the defendant, gave you part of that amount in cash and the balance in notes?—A. He did.

Q. He gave you notes according to the terms of that agreement for eight hundred and thirty-eight dollars and one cent?—A. Yes.

Q. There were three notes?—A. I think so, yes.

Q. The two first notes were taken up at maturity?—A. No, I think not.

Q. Well, the two first notes were paid in full?—A. No, I think not; no, there was only ten per cent paid up to now on them. The two first notes were renewed but were afterwards paid.

Q. When were they paid?—A. I do not know the date they were paid.

Q. Well, the two notes were paid on the second of October eighteen hundred and eighty-nine?—A. Yes.

Q. The two first notes were extinguished on the second of October eighteen hundred and eighty-nine?—A. The two first notes were renewed and afterwards paid.

Q. On what date were they extinguished?—A. They were extinguished on the second of October eighteen hundred and eighty-nine.

Q. Leaving due only one note?—A. Yes, only one note.

Q. Would you please tell the Court where the note was at that time? Was it in your hands, or was it discounted?—A. I think it was discounted.

Q. Can you tell me at what bank it was discounted?—A. Probably at the bank of Montreal.

Q. Do you remember that, on or about the first days in March, the money for that last note was offered to you, or that about the last days of February the money for that note was offered to you, and that Mr. Godin demanded that note to be taken up?—A. No.

Q. You do not remember that?—A. No.

Q. But you do not deny it?—A. No, but I was not there at the time.

Q. Do you remember having met Mr. Godin when he went to your place and demanded that note saying that he wanted to pay?—A. No, I was not there.

Q. Do you remember having met him about that note?—A. No.

Q. You remember having been served with a protest offering the money to take up that note with?—A. No. I was not in the office there at the time these things occurred, and that is why I cannot answer that question. You should ask the treasurer or the book-keeper to tell all these things. I was not there.

Q. The money—thirty-five hundred and two dollars and thirty-six cents that was offered to you by the protest, exhibit number one of the defendant, was accepted by you?—A. Yes.

Q. It was the last money owed to the company by the defendant Berthiaume according to the agreement Exhibit "A3"?—Yes. I want to qualify that first answer. It was not accepted directly by me: it was accepted through our Counsel. I instructed the treasurer not to accept it, but that he had better go to our Counsel and have it accepted in case there were any rights to be reserved.

Q. So you instructed the secretary to go to your legal adviser to accept the money if it was to be accepted?—A. If it was proper and right to accept it? yes.

Q. And then, Mr. Hall handed back the money to you and you accepted?—A. Well, I think it was Mr. Brown; it was our legal adviser anyway.

Q. They received the money and gave it to you?—A. Yes.

Q. That was the money to pay the note which was discounted at the Bank of Montreal in February previous?—A. I do not remember when it was discounted.

Q. It was to pay that note anyway?—A. Yes, to take up that note.

Q. Do you pretend to say that you never met Mr. Godin previous to that date, or previous to the month of March about that note?—A. No, I do not think so. I won't say, I have forgotten.

Q. But if Mr. Godin says that it is true, you are not in a position to say that it is not true?—A. No.

Q. Did you ever take any care to send anybody to Gebhardt or Berthiaume, or to *La Presse* so as to see if the paper was good or not good?—A. I do not think so.

Q. Do you remember any complaint being made about it?—A. I remember that occasionally we heard complaints the same as we do from all people. But it does not always come from the paper itself. There are lots of other causes. It may be the fault of the man who runs the press, but they always lay the fault on the paper.

Q. You always lay the fault on the man that runs the paper?—A. Yes, and he always lays it on us. It might be the fault of the man that runs the press; if he makes a mistake or runs the press too fast: but with them, it was always our fault if the paper was bad.

Q. Mr. Young, did you inquire or did you make any remark to the mills about these complaints? Did you write and represent to them that there were complaints about the rolling and the quality of the paper?—A. Well, I may have or I may not have. If such complaints were made, probably I did.

Q. Well, you have just admitted that such complaints were made. Now, did you remonstrate to the mill that complaints were made about the quality and the rolling of this paper?—A. Well, I do not remember. We do that very often.

Q. Did you go to Mr. Berthiaume, or did you have any interview with him when he ceased taking the paper from you?—A. No, I do not think Mr. Berthiaume was ever in our office.

Q. No, I know: it was his agent generally, Mr. Godin?—A. Mr. Godin used to come in, yes.

Q. Well, they told you why they stopped taking the paper, did they not?—A. They stopped taking paper from us because they got it for a less price elsewhere, and got some one else to advance them the money to take up our paper.

Q. And you know that before they stopped taking the paper, they offered you the last cent of money due you?—A. Yes, they paid us.

Q. Before taking paper from anyone else, they offered you the last cent of money that they owed you?—A. I do not think it. I think they had been receiving samples from the Canada Paper Company for a long time before they stopped taking it from us.

Q. Yes: but before they bought any other paper from any one else, they paid you?—A. No, I do not think so, they had been using paper they had got from the Canada Paper Company, and if the truth could be known you would find out that the money to take up our paper came from the Canada Paper Company.

Q. How many times did Mr. Godin demand his account from you?—A. Oh, I cannot say. We sent in an account every month.

Q. Yes, but did he not come to your place and demand his account, did he not demand that note before he ceased taking paper from you and you said: "I do not

know where that note is"?—A. Very likely I did say so; it was not my place; it is his place to know where the note was.

Q. Well, it was for him to pay the note?—Yes.

Q. So, he demanded where the note was and you refused to tell him where?—A. No, I did not say that; it is perfectly absurd the idea of asking me where the note was, because these notes should have been entered in his note book and he knew when and where they were payable.

Q. Yes, but will you tell the court why you refused to tell him where the note was?—A. Because I did not know.

Q. Do you not keep track of notes that you discount?—A. Most certainly not: I am not the treasurer of the Company. I am the president.

Q. Yes, but as president of the Company, have you not the means of ascertaining where the note was?—A. Yes: I would certainly have found out.

Q. And why did you not ascertain where the note was; he had a right to know where it was?—A. Oh, he knew where it was.

Q. Well, it was at your place?—A. No, it was his note. He made out the note himself and signed it himself and knew where it was payable.

Q. Do you remember that when the last note was paid by Mr. Godin, he asked for a statement of the account?—A. I do not know.

Q. You do not deny it though?—A. I do not deny it, no: but why was he to ask for a statement? I was brought up as a banker and know something about these things. The idea of asking a statement for three notes when the amount is made payable at a certain place.

Q. Well, do you remember that at the time that Mr. Godin told you that he wanted to have a statement of the last cent owing you?—A. No, I do not.

Q. When you received through your solicitors the sum of seven thousand dollars, the last sum of money due you, had you on hand at the time the fifty-six rolls of paper?—A. I do not know.

Q. The date of the acceptance of the money is about the middle of April eighteen hundred and ninety. Had you in store at that time the fifty-six rolls of paper when you accepted the money from Mr. Mackay the Notary?—A. No, part of it was here and part of it was at the mill where we make it.

Q. So that when you accepted the last cent due you by the Defendant, Mr. Berthiaume, part of that paper was in the mill?—A. Yes.

Q. Will you tell me if you ever notified Mr. Berthiaume of that fact, before settling the last cent of the contract between you two?—A. I wrote to him. I notified him by letter that we were carrying a stock of paper on hand.

Q. Was that after or before you accepted the money?—A. Before, I think.

Q. It was before you accepted the last cent due you?—A. When we heard these rumors we wrote to him telling him that we carried a certain amount of stock all the time.

Q. So, on the twenty-fifth of February, you were aware of the fact when you had on hand this fifty six rolls of paper, that Mr. Berthiaume was going to take this paper somewhere else?—A. Not in February, no.

Q. Well, you say you notified him by letter of the twenty-fifth of February, and I understood you to say a moment ago that you manufactured more than fifty rolls of that in March?—A. I think so.

Q. And in the month of February, you were aware of the fact that Mr. Berthiaume intended to take his paper somewhere else?—A. No; you are wrong there. I simply say that we wrote to him when we heard the rumors, and then in our contract it is specially stipulated that he should notify us in writing, which he never did.

Q. But you were informed of that fact by Mr. MacFarlane?—A. Well, Mr. MacFarlane was one, and another gentleman told me also.

Q. Well, that letter of the twenty-fifth of February never referred to the lot of the fifty-six rolls that were not manufactured at the time?—A. It did not refer to them, no.

Q. So, that paper you had on hand on the twenty-fifth of February was taken up by the Defendant?—A. I do not know about that.

Q. Well, that fifty-six rolls are included in the balances paid?—A. On the twenty-fifth of February I wrote to the defendant and asked him if it was a fact that he was going to cancel the contract and informed him that we did not understand the contract in that way, and that we were carrying stock all the time; he would not accept any terms. In the original, we tried to provide against washouts, break downs and strikes, but he said: "No; we will guard against fire, and if your mills burn down, the contract will be null; but you must look out for all washouts, break downs and strikes." I said: "All right, in that case we will have to carry a stock of paper all the time so that in case we should have a strike or a break down, or a washout, we would be secured."

Q. Yes, well, as a matter of fact, is it not true that, at the time you wrote this letter, you had two hundred rolls of paper manufactured?—A. No; I do not think we had over two hundred.

Q. Had you one hundred?—A. I think we had: I cannot say if we had more than that.

Q. So, it was taken up by the defendant if it was specially manufactured for him? That is the one hundred rolls on the twenty-fifth of February was taken up by the defendant?—A. Well, whatever we had was taken up.

Q. Will you please fyle a statement of what was taken up by the defendant from the twenty-fifth of February to to the fourteenth of March, at the date of your letter of the twenty-fifth of February—you said you had from one to two hundred rolls?—A. No. My letter of the twenty-fifth of February said this: "I was informed yesterday that you had made a contract for your supply of paper for *La Presse* and I deem the best course to pursue was to ask you a direct question as it might be possible that you do not understand the contract now existing between us as we do. It has something over two years to run yet and you are well aware of the fact that we carry from one to two hundred rolls of paper in stock that we expect you to take at the end of the contract." I did not say that we had one hundred rolls on hand at the time. We may have had two hundred rolls or we may have had fifty on hand. If I said in my answer before that we had over two hundred rolls, I withdraw that answer.

Q. So, you cannot say if you had any other paper of that kind left outside of the fifty-six rolls. You are not in a position to swear?—A. Well, I should think that when they stopped, we had fifty-six rolls of this paper on hand.

Q. Do you know if you had any more than that?—A. Yes, I am sure we had more.

Q. How are you sure of it?—A. Because we told them to ship it all in.

Q. Well, would you swear now, that none of that kind of paper was sold elsewhere?—A. No.

Q. You would not swear to that?—A. No.

CROSS-EXAMINED.

Q. After you wrote that letter, Mr. Young, of date the 25th of February, did they continue to take paper from you in the ordinary way for some time?—A. They did.

Q. Until what date?—A. Until the fourteenth day of March.

Q. That is the last day?—A. Yes, the last day they received any paper from us.

Q. And they simply continued on taking paper in the ordinary way?—A. Yes, they simply continued on in the ordinary way.

Q. Well, will you file that statement, Mr. Young, showing the delivery of this paper for the period of time from the fourteenth of February to the fourteenth of March eighteen hundred and ninety as Exhibit ("A5") at *enquete*?—A. Yes.

Q. So they continued from the twenty-fifth of February to take paper in the ordinary way from you up to the fourteenth of March?—A. They did.

Q. Now, Mr. Young, that Exhibit number three was given to you in settlement of this indebtedness contained in Exhibit "A5" I think, was it not?—A. It was.

Q. That settlement was about first of October, I think?—A. About the first of October, yes.

Q. Now, when you say these notes were paid on the second of October, as you have stated, do you mean that they were paid then, or that they were given then and the indebtedness cancelled by notes—that is, were the notes paid or given on the second of October?—A. These notes were given on the second of October.

Q. Then, they were not paid on the second of October?—A. No, they were not paid on the second of October.

Q. Now, how many notes were there in all?—A. There were five notes.

Q. At what delays were they made?—A. The first one was dated October the second, at two months; the second, October the second, at three months; the third, October the second, at four months; the fourth, October the second, at five months; and the fifth, October the second, at six months.

Q. Then there were five notes dated the 2nd of October, made at two, three, four, five and six months respectively?—A. Yes.

Q. That was an average of four months?—A. Yes.

Q. Now, the first three notes, were they paid in full at maturity?—A. Ten per cent of their value was paid, and the balance renewed.

Q. That is the notes of two, three and four months?—A. Yes; and the five months' note and the six months' note were paid.

Q. They were paid in full at maturity?—A. Yes.

Q. The notes of two, three and four months were renewed, in accordance with the terms of the contract?—A. Yes.

Q. And they were renewed at four months?—A. Yes.

Q. So that it was in the spring of eighteen hundred and ninety that they were paid?—A. Yes.

Q. The last two, I think, were paid by the notary?—A. The last two were paid by the notary; it came through our counsel.

Q. It was after the protest?—A. Yes.

Q. Will you take communication of defendant's Exhibit No. 1, and state whether that is a protest and the tender of the money?—A. Yes.

Q. That is dated the 15th of April, is it not?—A. Yes, the 15th of April, 1890.

Q. So it was the following day, or within two days after that, that you received your money?—A. Yes.

Q. That was the only legal tender of the money that you received?—A. Yes.

Q. Now, this stock of fifty-six rolls, that you refer to, do you know whether that was actually in stock at the date when they ceased to buy paper from you on the 14th of March?—A. I think so; I can ascertain it.

Q. That will appear from the statement which you are to get from the mill?—A. Yes. I want to make one correction. I see by the statement they were dated October the second; it was my book keeper that made this out, but it seems that they were not paid on this date, but the notes were made on these dates. They were issued, not paid on these dates.

Q. At the time of this conversation with Mr. Godin, that you refer to in your examination-in-chief, Mr. Young, did you receive any formal notice of the cancellation of this agreement?—A. We have not.

Q. And I suppose you were desirous of obtaining the contract?—A. We were.

Q. Now, I think you stated in your examination in chief, that the amount of the open account at the time was about one hundred and seventy-nine dollars?—A. Yes:

Q. Besides that, there were two notes included in the notarial tender?—A. Yes.

RE-EXAMINED.

Q. How many notes did you receive at first?—A. I think there were five notes.

Q. Five amounting to eight thousand eight hundred and thirty-eight dollars as per contract?—A. No, I do not think it was that.

Q. On the twenty-fifth of March, all that was due on these notes was five hundred and seventy-one dollars, was it not?—A. No. It was one hundred and seventy-nine dollars and ninety-five cents. Your Honour, I will tell you why I am in fault in these things. I did not keep the books, being the president of the company, and of course, I have to look carefully; I cannot answer as readily. This statement shows a balance of five hundred and seventy-one dollars and sixty cents.

Q. This Exhibit B of defendants at *enquete* is the receipt for the last money you received from the defendant through Messieurs Chapleau, Hall, Nichols—Brown—that is the receipt for the last money?—A. Well, I will read what it is: "Received payment under reserve of our rights under protest eleventh April, Mr. Dunton, N.P."

Q. Well, I want to know if it is the receipt of the last money you received?—A. I do not know.

Q. By THE COURT.—What is the date of it?—A. It is a receipt of the sixteenth of April, eighteen hundred and ninety: "Received payment under reserve of our right."

Q. Well, did you receive any money from them after that?—A. I do not know.

Q. Nothing was due to you? After that you had no other transaction?—A. I do not think so. I do not know. I cannot tell.

Q. Well, that was the money received from Mr. Mackay the notary?—A. Yes.

Q. And that was the money that was handed to you by your legal adviser?—A. Yes, I presume so.

Q. So that was the balance due to you at the time?—A. I presume so.

RE-CROSS EXAMINED.

Q. I understood you to say, Mr. Young, that this Exhibit "B" of defendant refers to the open account?—A. Yes.

Q. It does not refer in any way to the notes?—A. No; none whatever.

Q. So, if there were notes due at the time, this receipt does not refer to them?—A. No; it has nothing to do with them.

Q. At all events, after this protest and tender of the fourteenth of April, which was a tender of three thousand five hundred and two dollars and thirty-six cents, the amount was paid and received by you?—A. It was, sir.

Q. This protest states: "Said requerants have decided to pay the New England Paper Company, etc." as in protest?—A. Yes.

Q. It appears by that protest that there were still two notes?—A. Yes.

Q. And the settlement of these two notes was made at the same time?—A. Yes.

Q. And you received a cheque for the full amount?—A. Yes.

Q. That was on the same day, Mr. Young?—A. Yes.

The Company defendant state that they have no cross-examination to make.

And further the deponent saith not; and this is a true and correct transcript of shorthand notes of his deposition as taken by me at *enquete*.

True copy,

GEO. H. KERNICK, (Signed)
Deputy Prothonotary.

M. E. DOHERTY,
Stenographer.

