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P104

REPORT OF
ROYAL COMMISSION
ON THE LEASING OF
WATER-POWER
LACHINE CANAL.



OTTAWA:
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REPORT OF ROYAL COMMISSION ON WATER-POWERS, LACHINE CANAL

CANADA.

Lansdowne.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland, Queen, Defender of the Faith, &c., &c., &c.

To all to whom these presents shall come, or whom the same may in any wise concern,

GREETING :

WHEREAS it has been represented to us that upon and subsequent to the first enlargement of the Lachine Canal, completed in the year one thousand eight hundred and forty-eight, a number of mill privileges were leased to utilize for manufacturing purposes the surplus water flowing in the canal ;

AND WHEREAS these privileges were granted at a low rental, the quantity of water constituting the surplus, after providing for the requirements of navigation, being limited ;

AND WHEREAS the leases so granted did not specify either the sectional area of the volume of water to be used, nor the measured power applicable to a run of stones, the unit adopted in describing the quantity leased, and from this omission abuse of the privilege has arisen ;

AND WHEREAS it has been further represented to us, that by the recent enlargement of the said canal, the quantity of water available for motive power to mills has been very greatly increased, and the lessees find themselves without extra charges, in the enjoyment of privileges much in excess of those originally leased ;

AND WHEREAS certain of the original lessees or their assigns have taken advantage of this by sub-leasing, thus in some cases disposing of quadruple the quantity of water contemplated in the original lease, being themselves at the same time liable for no more than the very limited amount of rent originally reserved in their leases ;

AND WHEREAS it is considered that this position is not one which in fairness should continue, and that the changed conditions of the water supply call for commensurate changes in the terms under which such supply is enjoyed, and in order to obtain the fullest possible information as to the facts having a bearing on this subject, so that our Government of Canada may be in a position to decide on a mode of dealing therewith, which shall cover fairly the several interests involved, we deem it expedient that we should in the interest of and as connected with the good government of Canada, cause enquiry to be made into and concerning the matters herein after mentioned ;

Now KNOW YE, that we do, by these presents, by and with the advice of Our Privy Council for Canada, nominate, constitute and appoint Thomas Pringle Esq., John Kennedy, Esq., Civil Engineers, and Etienne H. Parent, Esq., Civil Engineer, Commissioners, to make enquiry into all matters connected with the past and future leasing of water for manufacturing purposes throughout the whole length of the Lachine Canal.

And we do order and direct that the said Commissioners do, at the conclusion of their investigation, report the result thereof to Our Governor General in Council, the objects of such investigation, in addition to its general bearing comprising the following specific points :

1st. How far the present consumption of water is authorized by the leases as originally granted, and whether the present use implies a waste of water-power.

2nd. The extent, value and rental of the several water-powers as leased in the year one thousand eight hundred and forty-seven (the date of the first leases) and following years, prior to the further enlargement of the canal, compared with their present extent, value and rental, showing in comparative form the amount which has been, and that which should fairly have been derived from their leasing by the Government.

3rd. The value of the privileges which have been sub-leased for the several years that have elapsed since such subleasing, with the rentals accrued therefrom.

4th. Any special features contained in the leases now existing.

5th. The question whether or not the grant of leases should be henceforward made direct from the Government to the user, and, should such direct grant be deemed advisable, what course would be the fairest and best now to adopt to secure this end, with due regard to the just claims of the Government and of the leaseholders respectively.

AND We do hereby, under the authority of an Act of the Parliament of Canada, passed in the thirty-first year of Our reign, chaptered thirty-eight, and intituled: "An Act respecting enquiries concerning public matters," confer upon the said Commissioners the power of summoning before them any party or witnesses, and of requiring them to give evidence on oath orally or in writing (or on solemn affirmation, if they be parties entitled to affirm in civil matters,) and to produce such documents and things as such Commissioners deem requisite to the full investigation of the matters into which they are appointed to examine.

AND We do hereby nominate, constitute and appoint Robert Chambers Douglas, Esquire, Civil Engineer, to be the Secretary of the said Commissioners for the purposes of the said investigation.

IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent, and the Great Seal of Canada to be hereunto affixed. WITNESS, Our Right Trusty and Entirely-Beloved Cousin, the Most Honorable Sir HENRY CHARLES KEITH, PETTY-FITZMAURICE, Marquis of Lansdowne, in the County of Somerset, Earl of Wycombe, of Chipping Wycombe, in the County of Bucks, Viscount Calne and Calstone, in the County of Wilts, and Lord Wycombe, Baron of Chipping Wycombe, in the County of Bucks, in the Peerage of Great Britain; Earl of Kerry and Earl of Shelburne, Viscount Clanmaurice and Fitzmaurice, Baron of Kerry, Lixnaw and Dunkerron, in the Peerage of Ireland; Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Governor General of Canada, and Vice Admiral of the same.

At Our Government House, in Our City of Ottawa, this Seventeenth day of July, in the Year of Our Lord One Thousand Eight Hundred and Eighty-six, and in the Fiftieth Year of Our Reign.

By Command.

(Sgd.) G. POWELL,
Under Secretary of State.

MONTREAL, 31st May, 1887.

To the Honorable J. A. CHAPLEAU,
Secretary of State of Canada.

SIR,—We have the honor to present, for the information of His Excellency the Governor General in Council, the following report upon the water-powers leased upon the Lachine Canal, in obedience to a Royal Commission dated 17th July, 1886, a copy of which is herewith prefixed.

We regret that, in consequence of other imperative duties of members of the Commission, we have been unable to report at an earlier date. On account of the winter and high water, we have been unable to investigate and report upon certain questions, professional and otherwise, which we understand are embraced in our instructions. These, however, will be made the subject of a subsequent report, if not otherwise instructed.

We have examined numerous official documents placed in evidence before us, and have also received the testimony (which is appended) under oath, of lessees and users of water-power upon the Lachine Canal, and beg leave to submit the following report as the result of our present investigation.

REPORT.

The first enlargement of the Lachine Canal so increased its sectional area that it enabled an additional supply of water, to that required for the purposes of navigation, to be admitted into the canal at its head. At the Montreal terminus the lift of two locks from the River St. Lawrence to Basin No. 2, created a fall which rendered available a valuable water-power, adjacent to ocean navigation, on one side of the present mills, and to inland navigation on the other. This power, during eight months of the year, has about an average head and fall of twenty-two feet. This is reduced, during four winter months, to about thirteen feet. In certain periods this average is greatly reduced, especially when ice jams and floods occur, so that the mills are unable to propel their machinery. As the water-wheels are at present placed, the least head utilized is ten feet, and the greatest nineteen feet, while the average head of all the water-wheels is about fifteen feet. To mills running the year round, it is not advantageous to utilize the full head, while to those who shut down during the winter, such as a large merchant flouring mill recently constructed intends to do, the utilization of the full summer head represents either a large increase of power or an economy in the quantity of water used.

At the third lock, at St. Gabriel, a power has been created with the lift of 8½ feet, which gives a head subject to the variations in the level of the canal through lockages, but not affected by back water in winter, thus rendering the power very valuable. At the date of the lease of the power at this lock, it was at the outskirts of the city, but is at present in a most advantageous position for manufacturing industries.

At the fourth lock, at Côte St. Paul, the lift of nine feet provides a power in every way equal to that at St. Gabriel, but at a greater distance from the centres of commerce.

The supply of water for power, when it was originally leased, was obtained by converting the old guard lock at Lachine into a supply weir. The locks at Côte St. Paul and St. Gabriel were also converted into weirs to pass the quantity of water leased, and regulate the levels of the canal. The mills shortly began to draw more water than leased, it became necessary in order to maintain navigation to provide an increased means of supplying the canal at its head. A new supply weir was constructed. The mills, still increasing their draught of water, created a heavy current in the canal, and otherwise interfered with navigation. To keep the canal navigable necessitated the enlargement of the "rock-cut," the construction of piers, and new and much larger waste-weirs at Locks Nos. 3 and 4, and at Basin No. 2; the weirs in the old locks becoming inadequate to regulate the large quantity of water flowing in the canal. The mills continually drawing more water, it again became necessary to still further enlarge the area of supply at the head of the canal. Until the final enlargement of the prism of the canal, the quantity of water flowing through it was most prejudicial to navigation, but its present greatly increased area renders available a large amount of power without detriment to navigation.

WATER-POWER BASIN, No. 2.

When the first enlargement of the Lachine Canal was approaching completion, the leasing of the water-power engaged the attention of the Board of Works.

In the report of the Board for 1844, it is stated that from the leasing of land and water-power, adjacent to the basins, at Montreal, a large revenue would be obtained.

A report or letter, with an accompanying plan, dated 11th April, 1844, was forwarded to the Honorable H. H. Killaly, Chairman of the Board of Works, by Alfred Barrett, Esq., Chief Engineer of the Lachine Canal. He states, that he has indicated upon the plan some points for the location of mills, warehouses, shipyards, &c.

From an official plan of the Board of Works, dated 3rd August, 1844, it appears, that, upon the south side of Basin No. 2, twenty lots were originally laid out, to seventeen of which water-power was apportioned; the lots are identical with those subsequently leased with the exception of lot No. 20, upon which a waste weir was built.

Some two years later, 10th October, 1846, Mr. Barrett again reports upon the water-power at the Montreal terminus of the canal. This report was ordered, on account of urgent applications, by certain parties, for water-power, and was transmitted to the Provincial Secretary, by the Secretary of the Public Works, the Commissioners

recommending that the water-power be placed at public competition, and that the decision of His Excellency in Council be communicated as early as possible. Upon the 15th October, 1846, the Committee of the Executive Council authorized the sale of three mill sites "upon terms to be submitted for approval by the Commissioners of Public Works." Pursuant to this order in Council the Secretary of Public Works inserted in *The Pilot and Journal of Commerce*, Montreal, a notice dated 19th October, 1846, offering for sale, at public auction, valuable mill sites at the Montreal terminus, on the 23rd November, 1846. (Appendix No. 1.)

Upon the 5th November, 1846, the Commissioner of Public Works transmitted a report, with conditions, specifications and terms recommended by Mr. Barrett for leasing water-power, for the approval of His Excellency in Council, as ordered on the 16th October, 1846. The Commissioner, in his letter of transmittal, stated that the accompanying report, of the Engineer in Chief of the Lachine Canal, contains judicious observations and conditions and that the Department desires to know the decision of His Excellency in Council thereon, in order to communicate them to those wishing to purchase and who require information.

Upon the 9th November, 1846, an Order in Council was passed as follows:—

"On the communication from the Hon. C. E. Casgrain, 5th November, 1846, transmitting with suggestions, the report of Mr. Alfred Barrett, Engineer, on the mill sites on the Lachine Canal, now advertised for sale:

"The Committee recommend for Your Excellency's approval the suggestions contained in the report of Mr. Barrett, and that the mill sites be disposed of under leases of twenty-one years, subject to the conditions and restrictions contained in the said report." (Appendix Nos. 2, 3 and 4.)

The sale took place upon the 23rd November, 1846. The Queen's Auctioneer has certified that the conditions of Mr. Barrett were read to the audience, and that the leases of Lots Nos. 8, 9, 10, 11 were adjudged, subject to those conditions. (Appendix No. 5.)

Upon the 11th December, 1846, His Excellency in Council authorized the Commissioners of Public Works to sell upon the same conditions as the previous sale the lease of Lot No. 12. A notice was inserted in certain Montreal newspapers by the Secretary of Public Works, of a sale by auction of this lot, to take place upon the 12th January, 1847. The Queen's Auctioneer has certified that, at this sale, the conditions of Mr. Barrett were read to the audience, and Lot No. 12 was adjudged.

Upon the 27th April, 1847, an Order in Council was passed authorizing the sale of Lot No. 13 upon similar conditions to those previously sold. A notice of sale of this lot upon the 22nd of May, 1847, was also given by the Secretary of Public Works in certain Montreal newspapers. The Queen's Auctioneer has certified that the same conditions as read at previous sales were read over, and Lot No. 13 adjudged; also, that at the request of the audience, and with the consent of the Commissioners of Public Works, Lot No. 14 was put up and adjudged on the same conditions.

Upon the 3rd July, 1847, the Secretary of Public Works transmitted the leases of Lots Nos. 12, 13 and 14 for the approval of His Excellency in Council, which were sanctioned by an Order in Council dated 15th July, 1847.

The leases of Lots Nos. 8, 10, 11 were executed in 1843 and 1849, their period being reckoned from the date of public sale. These leases were not approved of by His Excellency in Council.

The remaining lots upon Basin No. 2, with the exception of a dock lot, were not leased by public sale, but granted by the Commissioners of Public Works upon the application of the respective parties.

Upon the 3rd October, 1850, the Secretary of Public Works inserted a notice in certain Montreal newspapers which stated that the Commissioners of Public Works were prepared to receive offers from parties desirous of using water-power created by the locks on the St. Lawrence Canals. Among the water-powers advertized were the lots unleased at Basin No. 2. A subsequent notice was inserted by the Secretary of Public Works which stated that the properties advertized would be sold at public auction on the 12th February, 1851. Previous to this sale all the lots on the south side of Basin No. 2 had been applied for and leases promised. The only lot offered to competition was a dock lot not laid out on the original plan referred to previously.

Subsequent to this sale, the Chief Commissioner of Public Works executed leases for Lots Nos. 9, 15, 16, 17, 18 and 19 and the Dock Lot just referred to. These leases were not approved of by His Excellency in Council and have not been countersigned by the Secretary of Public Works.

Upon the 23rd September, 1854, the Commissioner of Public Works leased Lots W. $\frac{1}{2}$ 2, 3, 4, 5, 6 and 7, consenting to the assignment of the lease of Lots Nos. 5, 6, and 7, leased upon the 31st December, 1819, and granting a new lease for the lots as first stated. This lease, and the lease assigned, were not authorized by His Excellency in Council.

The various leases for water-lots upon Basin No. 2, the Montreal terminus of Lachine Canal, have, therefore, been granted in the following manner :

Two leases (Lots Nos. 12, 13 and 14) were sold at Public Auction under conditions authorized by Order in Council (9th November, 1846), the leases submitted to His Excellency in Council and approved (Order in Council—15th July, 1847).

Three leases (Lots Nos. 8, 10 and 11) were sold at Public Auction, under conditions authorized by Order in Council (9th November, 1846), but the instruments themselves were not approved of by His Excellency in Council.

One lease (Lots Nos. W. $\frac{1}{2}$ 2, 3, 4, 5, 6 and 7) was granted on application, by the Commissioners of Public Works, but not sanctioned by His Excellency in Council.

Six leases (Lots Nos. 9, 15, 16, 17, 18 and 19) were granted on application by the Commissioners of Public Works, but not sanctioned by His Excellency in Council, nor countersigned by the Secretary of Public Works.

One lease (Dock Lot No. 21) was sold at Public Auction, but not sanctioned by His Excellency in Council, nor countersigned by the Secretary of Public Works.

In the official correspondence, submitted to this Commission, it appears that, at the first leasing of water-power, it was considered necessary, in order to comply with the provisions of 9 Victoria, chapter 37, that the officers of the Public Works should obtain authority from the Executive Council, to sell—for the conditions of sale—and the approval of the lease or instrument executed. The only legal opinion submitted to us is that of the Attorney General for Lower Canada. (Appendix No. 18). He states that a lease is void when not countersigned by the Secretary of Public Works.

As to the legal effect upon the leases, through not complying with the provisions of the Statute (Act 9 Vic., Ch. 37), we are unable to pronounce an opinion but we feel bound to follow this Act in deciding the questions especially referred to us in our Commission, the principle of which is stated as follows:—

“And whereas the leases so granted did not specify either the sectional area or the volume of water to be used, nor the measured power applicable to a run of stones the unit adopted in describing the quantity leased, and from this omission abuse of the privileges has arisen.”

Upon this we find, that, although the volume of water is not specified in the leases, a stated number of cubic feet per minute to each run of stones was specified in the report of Mr. Barrett, the Chief Engineer of the canal, that this number of cubic feet of water was sanctioned by Order in Council (9th November, 1846,—Appendix No. 4), that the same quantity of water for each run leased was read at a public sale of six lots as certified by the Queen's auctioneers. (See Appendix No. 5.) We also find that the only lease which has been authorized by His Excellency in Council especially refers to the conditions read at public sales, and that this defined volume of water was made binding. (Appendix No. 7.)

We, therefore, are of opinion that this defined volume, sanctioned by Order in Council (9th November, 1846), is the quantity of water each run of stones leased at Basin No. 2 is entitled to.

First:—To each run leased upon Lots Nos. 12, 13 and 14, because they are purchased subject to this defined quantity of water, and it was made part of the lease as sanctioned by Order in Council.

Second:—To each run leased upon Lots Nos. 8, 9, 10 and 11, because they were also purchased subject to the same defined quantity of water, and the leases were not sanctioned by Order in Council.

Third :—To each run leased upon Lots Nos. W. $\frac{1}{2}$ 2, 3, 4, 5, 6, 7, 15, 16, 17, 18, 19 and Dock Lot No. 21, because they were leased only by the Commissioners of Public Works, without authority of Council. The expressed intention of the Government, as authorized by Order in Council (9th November, 1846), also applies to these, and we think could not be overridden by acts of the Executive officers, contrary to 9 Vic., Ch. 37, or through lack of definiteness in the leases.

Upon the specific point, No. 1, referred to us, viz.: "How far the present consumption of water is authorized by the leases as originally granted, and whether the present use implies a waste of power," we find: That the water-power, at Basin No. 2, is created by the head and fall between said Basin and River St. Lawrence, which is stated by the officers of the Department of Public Works to be in summer between 20 and 26 feet, and in winter from 10 to 15. The first advertisement of sale of the hydraulic lots stated the head to be about 20 feet, and in subsequent notices of sales the same head was given. The quantity of water apportioned to each run of stones was on the basis of the ordinary summer level of the river, leaving the variations as a condition of purchase. (Appendix No. 6—Barrett's report.)

The quantity of water and the method of drawing it from the canal, were both authorized by the Order in Council of 9th November, 1846. During the season of navigation, it was to be drawn over the crest of a weir of dimensions, which could only supply the quantity stipulated, and during the winter, the same quantity was to be supplied through sluices in the dock wall. (Appendix Nos. 3, 4, and 5.) Plans, of these weirs and sluices, given us, show that they were designed to pass the volume of water specified in the conditions of sale. The weirs were, for some reason, abandoned, and the supply, both in summer and winter, drawn through sluices. Through these sluices no greater quantity of water was to be drawn than was leased. (See Appendix No. 7—Extracts from Leases of Lots Nos. 12, 13 and 14.)

The quantity of water, specified to be drawn from the canal, as sanctioned by Order in Council, was 360 cubic feet per minute to each run of stones leased. This quantity was known by the original purchasers and lessees, who either had copies of the conditions of sale, or heard them read. (See Appendix No. 33, evidence of Mr. James McDougall who purchased Lot No. 11.)

We therefore find—by Order in Council, 9th November, 1846—that, each run of stones, upon Basin No. 2, is intitled to draw, from the canal, 360 cubic feet per minute or six cubic feet per second, and for the reasons previously given this is the quantity the leases authorized.

There are in all sixty runs of stones leased at Basin No. 2, the number that was considered judicious, in the interests of navigation at the date, to lease ;—we therefore find that the total quantity of water the entire of the mills, on this basin, are

entitled to, is 360 cubic feet per second. As to the quantity actually used we gather from the evidence before us that not less than four times this amount is ordinarily drawn. The aggregate capacity of the wheels, if used to their full power, is greater still. Such particulars, as we have thus far ascertained, are given in Appendix No. 8.

We are of opinion, that, a number of the water-wheels are of such a character, and are placed at such a level, as involves a waste of power. They should be replaced by more efficient motors.

Upon the specific point No. 2,—the present extent, value and rental; to be derived from the water-powers upon Basin No. 2, we find, from the evidence before us, that \$130.00 per run of stones per annum may be fairly taken as the present value of power at Basin No. 2. This is equivalent to \$13 per effective horse-power of 75 per cent. of the theoretical power of the water. The power is, however, much reduced by back water, during winter, which is a serious inconvenience to many descriptions of manufactories. The average head, upon the wheels, as actually placed, is 15 feet, and to obtain the full summer head, would on the majority of the wheels require a very large expenditure. We, therefore, recommend, in view of all the circumstances, that, in order to equalize the value of the power with that at St. Gabriel, where the head is not variable, an increased quantity of water be allowed in calculating the power upon which rent is collected; and that hereafter the quantity of water to each run shall be estimated at eight cubic feet per second instead of six cubic feet as authorized by Order in Council of 9th November, 1846.

In addition, to the rental of \$130 per run for water-power, we recommend, that, a ground rent also be charged, calculated on a basis of 4 per cent. on 50 cents per square foot per annum, for the land between the Canal and Mill Street, and that for the land between Mill Street and the Harbor Line, no ground rent be charged upon lots using water-power. To the lots leased without water-power, the above ground rent to be charged between Mill Street and the Canal, and 4 per cent. on 25 cents per square foot for the land between Mill Street and the Harbor Line.

WATER-POWER AT ST. GABRIEL LOCK.

There appears to have been no direct authority for the sale, or lease, of water-power at this lock known as No. 3.

On the 25th August, 1850, His Excellency the Governor in Council (Appendix No. 10) sanctioned a report of the Commissioners of Public Works, recommending, that the land—adjacent to any lock or water-power created by the construction of any Public Works—which, the Engineer in charge may deem necessary, for the purpose of utilizing the power and erection of mills and machinery—should be purchased at a reasonable rate of compensation. Authority was also given to ask for tenders for acquiring or leasing such properties, from the Government, the same to

be disposed of under the sanction of His Excellency in Council. This Order in Council was obtained consequent on various applications having been made for the leasing of water-power on the St. Lawrence Canals.

At St. Gabriel lock, additional land to that belonging to the Government, was required to utilize the power.

Upon the 3rd October, 1850, a notice was inserted in the *Montreal Transcript* and other papers, signed by the Secretary of Public Works, and stating that the Commissioners of Public Works were prepared to receive offers for the water-power created by the locks on the St. Lawrence Canals. (Vide Appendix No. 11 for that part of the notice referring to the Lachine Canal.)

At Basin No. 2, as previously detailed, a number of lots had been sold; tenders by this notice were to be received for the remainder, but the power was not disposable until after the 1st January, 1851, or until waste-weirs had been constructed at the Locks Nos. 3 and 4, to regulate and pass the water required for the mills.

Under the third paragraph of the notice, the power at St. Gabriel Lock was advertised; several lots were designated, and having water-power, equal in all to 26 runs of stones, disposable with them.

On the 2nd December, 1850, printed conditions of lease, and a list of the hydraulic privileges offered for sale on the St. Lawrence Canals were issued by the Commissioners of Public Works. (Appendix No. 12.) At St. Gabriel Lock, seven lots were offered with four runs of stones to each lot.

Under date of the 12th December, 1850, Mr. John Young made application to the Secretary of Public Works (Appendix No. 13), on behalf of a company who were desirous of obtaining control of the water-power under the third head of the public advertisement—(St. Gabriel Lock, 26 runs of stones.) The Company was prepared to construct flumes and purchase the additional land necessary to utilize the power. This application was referred to the Chief Engineer of Public Works, Mr. Samuel Keefer; his report (Appendix No. 14) dated 21st December, 1850, was favorable to the application, but as there were more than one applicant for power and land, he recommended that it should, as was the custom of the Department, be offered at public sale. He reported that he had laid off at this lock, seven lots, with four runs to each lot or 28 runs in all, and that the value of the privilege was £750 per annum. He recommended for the present, or until it was ascertained how the large quantity of water for power passing the locks would affect navigation, to limit the sale to five lots and 20 runs of stones.

The Secretary of Public Works, date 31st December, 1850, informed Mr. Young that the water privileges would be offered at public auction.

On the 7th January, 1851, the Secretary of Public Works inserted a notice in the Montreal newspapers, that the hydraulic and other property previously advertised would be sold at public sale, by the Queen's Auctioneer, on the 3rd February, 1851.

Upon the 15th January, 1851, the Chief Engineer having completed his plans for laying out the water lots on the Lachine Canal, made a report, with an accompanying plan, dividing the water-power at St. Gabriel into seven lots with four runs of stones attached to each. Four of these lots were on land belonging to the Government, three on land, the larger part of which required to be purchased by the Commissioners of Public Works.

The lists of properties to be sold with upset prices to the same were forwarded to the Queen's Auctioneer on the 15th January, 1851. Plans and descriptions of the hydraulic lots at St. Gabriel were also forwarded.

Upon the 23rd January, 1851, Mr. John Ostell, C. E., was instructed by the Secretary of Public Works to obtain from the Queen's Auctioneer the plans and report of Mr. Keefer, and to lay out the hydraulic property in the manner specified. On the same date the Queen's Auctioneer was instructed to postpone the sale two days, to get large placards printed and posted about town, and at the church doors, in order to draw public attention to the sale. Upon this letter of the Secretary of Public Works is written in pencil: "Mr. Bernard will have the goodness to get the *Pilot*, *Minerve* and *Transcript* to notice the sale by a short editorial for the purpose of drawing the attention of the public.

Mr. Ostell, on the 29th January, 1851, notified the Secretary of Public Works, that he had laid out the lots as directed, and that there were parties constantly seeking information from Mr. Bernard, the auctioneer, and himself, as to the limits of the privileges. The auctioneer, on the 25th January, 1850, was instructed by the Secretary of Public Works to further postpone the sale to the 12th February, 1851. On this date Mr. Bourrett was made Chief Commissioner of Public Works, he formerly being Assistant Commissioner.

We are unable to obtain definite information regarding the sale of the property. The auctioneer's certificate of sale and the plans of the Chief Engineer laying out the property in lots are stated to be missing in the records of the Department of Railways and Canals.

Mr. Ostell, in evidence (Appendix No. 35) does not remember that the property was sold at public sale. A dock lot, at Basin No. 2, was advertised to be sold, and was sold at the date fixed. It appears from the evidence of Mr. Cantin (Appendix No. 37), who was at both sales, that the St. Gabriel property was not sold on the date advertised, but a day or two later. As to exactly what was sold, we have only the evidence of Mr. Cantin in proof. He states that the auctioneer offered the land

belonging to the Government on either bank of the canal, and twenty runs of stones, that immediately after the sale he asked the Commissioner of Public Works if the island was to be sold; the Commissioner's answer was that he did not know whether it was included in the sale or not. Mr. Cantin had made an application several years previous for this island, and it was subsequently included in the lease to Young & Gould.

A paragraph in the *Montreal Gazette*, which cannot be called legal evidence, stated that the sale took place upon the 14th February, and that five mill lots and twenty runs of stones were sold. (Appendix Ns. 15). The auctioneer's entry in his ledger charging for the sale of these mill sites (Appendix No. 16) is corroboratory.

In October, 1863, evidence, under oath, was taken by the Provincial Arbitrators in a case referred to them concerning the water-power and other questions pertaining to the lease of water-power at St. Gabriel Lock.

With regard to the sale, the Hon. John Young, one of the lessees, testified:

"I remember the hydraulic privileges advertised, and certain conditions read over by Mr. Bernard, the auctioneer, at the sale, plans of the property being then produced for inspection."

Mr. Ostell, one of the partners of the company, testified:

"I was present at the original sale of water-powers at St. Gabriel Lock. Full conditions had been prepared by the Government, and the property was to be offered in lots."

In view of all the facts, we are of opinion that the property was sold in accordance with the report of Mr. Keefer, which recommended the power be limited to 20 runs of stones; that this quantity was mentioned by the auctioneer at the sale, and that the terms of the lease granting the "entire surplus water" were arranged subsequently.

The lease, as executed by the Chief Commissioner of Public Works, was not submitted for the sanction of His Excellency in Council, neither is it countersigned by the Secretary of Public Works, both omissions being contrary to the provisions of Act 9 Vic., ch. 37. As the legal opinion of Attorney General Drummond (Appendix No. 18) states that the lease is void, we are compelled to take the sale by auction as really determining the rights of Young & Gould to the water-power at St. Gabriel Lock, and to go behind the lease irrespective of what its legal weight is determined to be. There are good grounds, from the evidence submitted to us, for the supposition that the lease was not executed at the date it purports to be, but a week or ten days subsequently, and that between the date of sale and lease, the concession of all the land and the entire surplus water was arranged.

The sale and lease were directly contrary to the determination of the Public Works Department previous to the first date of sale, which was to sell in lots, and to

its desire to make the sale as public as possible, as evidenced by the letter of instructions to the auctioneer. The property was withheld for sale on the 12th February, the date it was publicly advertised to be sold, and the date upon which the other water-power at Basin No. 2 was sold, apparently upon the authority of the Commissioner who was at the sale.

By Mr. Cantin's evidence it is doubtful if the postponement was announced, and he is unable to tell how he discovered that it was intended to be sold on the 14th February. There is strong evidence to show that the property was to be offered in such a manner as to prevent competition, and to enable the Company to acquire a full control of the water-power, or as stated in evidence by witnesses before us, it was arranged beforehand that this Company should obtain it, and the sale was a mere formality.

We are decidedly of opinion that it would be more advantageous to the Government and preferable to the users of water for power, as their evidence shows, that whenever possible the leases should be direct from the Government to the user, and not through intermediate parties. It is our opinion that the lease should be declared null and void, upon the grounds, if supportable in law, expressed in the legal opinion laid before us of the Attorney General of Lower Canada, and strengthened by the fact of the lease not having received the sanction of the Governor General in Council. The instrument was, in addition, executed on the sole authority of a newly appointed Commissioner of Public Works, who changed the terms under which it had been intended to lease the property, in lots with a defined number of runs, and substituted a deed which had been assumed by the lessees to give much greater privileges than in our opinion, they purchased and leased, or they have been entitled to by the amount of rental paid.

We consider it well established, that a sale by auction took place, and from the testimony of Mr. Augustin Cantin (Appendix No. 37), supported by corroborative evidence, that the land belonging to the Government on either bank of the Canal, and twenty runs of stones were sold; that the island was not sold which the Government has recently taken in the enlargement of the Canal and paid damages for the improvements upon it.

We are of opinion, that, as Young & Gould, or assigns, have paid a rental for many years, representing, and equivalent to, the value of twenty runs of stones, their right to twenty runs should be acknowledged; and, in addition, as the lease, notwithstanding its illegality has been recognized by the officers of the Government, the Government hereafter should, in any new lease, permit Young & Gould, or assigns, to draw from the Canal the "entire surplus water" at the date of lease, or twenty-six runs of stones. The "entire surplus water" so granted is definitely determined by the quantity leased at Basin No. 2, which, as before established, is

360 cubic feet per second, or about 14 cubic feet per second to each run, which on the standard head at this lock (Appendix No. 9), as given upon the official plans, is equivalent to 6 cubic feet per second under twenty feet head, as authorized by Order in Council of the 9th November, 1846.

We recommend that twenty-six runs, or 360 cubic feet per second, and the Government land in the mill sites leased be again leased at the present rental, \$1,680 per annum; that for the remainder of the water used, some 120 runs, \$130 per run per annum be charged, and for every additional run which the Government may hereafter permit to be used, the same rate per run be charged. The present value of this privilege from the number of water-wheels in place is \$20,000 per annum, which might be demanded of Young & Gould, or their assigns.

If Young & Gould, or their assigns, refuse to accept this offer, and the lease is held valid, the Government should then close down the head-gates of the mills until they supply the "entire surplus water" at date of lease, twenty-six runs, or 360 cubic feet per second, the sub-lessees, or users of water, to be then requested to arrange with the Government for the quantity of water they require in excess of twenty-six runs, such excess to be leased directly to the user at a rental of \$130 per run per annum. The distribution and division of the twenty-six runs to be left to the adjustment of Young & Gould, or assigns, and their lessees.

If the Government deem it advisable to accept the recommendations of the Commission, to deal directly with the users of water at St. Gabriel and Côte St. Paul, we suggest the following method of settlement:

The land and water-power is at present divided as detailed in Appendix No. 23; this division can be thus classified:—

First.—Leases from Young & Gould, or assigns, of water only, the users holding their mill sites in fee simple.

Second.—Water transferred by Young & Gould, or assigns.

Third.—Land and water transferred by Young & Gould, or assigns.

Fourth.—Leases, in perpetuity, from Young & Gould, or assigns, of mill sites and water-power.

Under the first three heads we recommend the Government to assume control of the water-power used, this water being in excess of the quantity purchased and leased.

Under the fourth head, in order to extinguish the title of Young & Gould, or assigns, to all land in mill sites, tail-races, &c., under perpetual leases, we recommend the Government to acquire the title to such land by purchase, the value to be estimated as follows:—

From the evidence before us, and considering the interests of both Young & Gould, or assigns, and those holding perpetual leases of land, the present value of the land alone may be taken as equal to that of land and water-power at the date of leases. We advise that Young & Gould, or assigns, be tendered, for the purpose of settlement, a sum equal to the net rental capitalized at five per cent., for the surrender of all the leases and the assignment of the fee simple of the land and tail-races. This net rental being the rental received, less the Government rent. The land so acquired to be sold to the lessees, or their leases continued at a fair rental for the land alone; the water-power used to be charged at the rate of \$130 per run.

WATER-POWER AT COTE ST. PAUL LOCK.

The water-power at this lock, known as No. 4, was advertised to be sold at the same date as the St. Gabriel privilege. Five privileges were advertised with four runs to each or twenty runs in all. Mr. Samuel Keefer, Chief Engineer of Public Works, in his report of the 15th January, 1851, arranged the power in seven lots with four runs to each or twenty-eight runs in all. Mr. Ostell, at the same time, as at St. Gabriel, laid out these lots. They, for some reason, were withdrawn from sale.

Subsequently, an application was made for the land and water-power to establish a manufactory for locomotives, &c. On a report of the Assistant Commissioner of Public Works concerning this application, His Excellency the Governor in Council 11th October, 1852 (Appendix No. 20), authorized the sale at Public Auction of the hydraulic lots and the surplus water not required for navigation. The sale was duly advertised in the Montreal newspapers. The property was sold under general conditions signed by the Chief Commissioner of Public Works (date 14th January, 1853, Appendix No. 21). The lease of the hydraulic lot and water-power at Côte St. Paul lock was purchased at public auction on the 1st February, 1853. No lease was executed until August, 1860. The lease is in many of its provisions a copy of that previously executed by the Commissioner of Public Works with Young & Gould. Although endorsed by Departmental officers, it has not been sanctioned by His Excellency the Governor General in Council.

We find, basing our conclusions on the Order in Council and conditions of sale that the Lessees, at this lock, are entitled to twenty-seven runs of stones of $13\frac{1}{2}$ cubic feet per second of water to each run (Appendix No. 9), such quantity of water being the equivalent on a head and fall of 9 feet to the quantity established by Order in Council for Basin No. 2. We recommend that this power be dealt with in a similar manner to that at St. Gabriel.

The value of a run of stone at the present time and under the present conditions, as shown in evidence, is \$60 per annum. The power is depreciated in value by the limited area for supply of water at the head of the race. The general evidence given,

is that the only difference in value of realized power between Côte St. Paul and St. Gabriel, is the extra cost of cartage of raw and manufactured products. If the Government acquire control of the water, enlarge the head race, and otherwise improve the property, we consider \$120 per run, or \$12 per effective horse-power should be charged the users of water.

If the lease is continued under its present conditions, the Government should demand \$100 per run or \$10 per horse power for the quantity drawn from the canal in excess of twenty-seven runs. The lessees should also be compelled to provide for the utilization of the same amount of water which the mills use at St. Gabriel. The total rental which should then be received would be about \$16,000 per annum. At this date, there is leased over fifty runs more than the lessees are entitled to.

We have the honor to be, Sir,

Your obedient servants,

E. H. PARENT, *Chairman.*
THOMAS PRINGLE,
JOHN KENNEDY.

ROBERT C. DOUGLAS, *Secretary.*

MONTREAL, 31st May, 1887.

EXPLANATORY LIST OF APPENDICES.

Basin No. 2.

- APPENDIX No. 1.**—Copy of notice, in the newspaper *Pilot* of Montreal, of sale by public auction of hydraulic lots at Basin No. 2, under certain conditions, specifications and plans.—Date, 18th October, 1846.
- APPENDIX No. 2.**—Copy of letter of the Chief Commissioner of Public Works, submitting the report of Mr. Alfred Barrett, Engineer of the Lachine Canal, containing the conditions for leasing water at Basin No. 2, for the approval of His Excellency in Council.—Date, 5th November, 1846.
- APPENDIX No. 3.**—Copy of Report and conditions of Mr. Alfred Barrett, Engineer, as submitted to His Excellency.
- APPENDIX No. 4.**—Copy of Order in Council sanctioning the sale of hydraulic lots under the conditions and Report of Alfred Barrett, Engineer.—9th November, 1846.
- APPENDIX No. 5.**—Copy of conditions of Alfred Barrett, Engineer, read at public sale of hydraulic lots Nos. 8, 9, 10, 11, 12, 13 and 14; also the certificates of the Queen's Auctioneer that these conditions were read and that the sale was subject to them.—Dates: Lots Nos. 8, 9, 10 and 11, 23rd November, 1846; Lot No. 12, 12th January, 1847; Lots Nos. 13 and 14, 22nd May, 1847.
- APPENDIX No. 6.**—Copy of Report of Alfred Barrett, Engineer, stating that the hydraulic lots were purchased subject to the variations in level of the River St. Lawrence.—Date, 25th March, 1847.
- APPENDIX No. 7.**—Copy of an extract from the leases of hydraulic lots Nos. 12, 13 and 14, which refers to the conditions of sale and stipulates that lessees were not entitled to more water than purchased. Copy of letter of the Secretary of Public Works transmitting leases of hydraulic lots Nos. 12, 13 and 14, for the sanction of His Excellency in Council, in accordance with Act 9 Vic., Ch. 37. Copy of Order in Council approving of the leases of lots Nos. 12, 13 and 14.—Date, 15th July, 1847.
- APPENDIX No. 8.**—Statement of the names of turbines, or water-wheels, driving machinery upon Basin No. 2; the head between the level of canal and tail-water; the approximate number of cubic feet per second each wheel will discharge; the approximate number of cubic feet per second discharged from the canal; and the number of cubic feet each lessee is entitled to under his lease.
- APPENDIX No. 9.**—Statement of standard heads and falls Lachine Canal, the surplus water for hydraulic power leased at Basin No. 2, and the total number of runs of surplus water at St. Gabriel and Côte St. Paul Locks, and the number of cubic feet per second to each run, by Order in Council, 9th November, 1846.

St. Gabriel Lock.

- APPENDIX No. 10.**—Order in Council empowering the Commissioners of Public Works to receive tenders for the leasing of hydraulic property upon the St. Lawrence Canals, and disposing of the same under the sanction of His Excellency in Council.—Date, 20th August, 1850.

NOTE.—The appendices printed are those especially referred to in report. Those in this list not printed are contained in the official Report of the Commission.

- APPENDIX No. 11.**—Copy of advertisement, of the Secretary of Public Works in the public press, soliciting offers for several hydraulic lots upon the Lachine Canal, with a general description of the same.—Date, 3rd October, 1850.
- APPENDIX No. 12.**—Copy of that portion referring to the Lachine Canal of an official circular of the Department of Public Works, stating general conditions of leasing water power, and description of lots.—Date, 2nd December, 1850.
- APPENDIX No. 13.**—Copy of application of John Young, Esq., for the lease and control of land and water power under 3rd head of public advertisement (Appendix No. 11).—Date 12th December, 1850.
- APPENDIX No. 14.**—Copy of report of S. Keefer, Esq., Chief Engineer of Public Works, upon Mr. Young's application.—Date, 21st December, 1850.
- APPENDIX No. 15.**—Copy of notice, in *Montreal Gazette*, of sale by auction of hydraulic lots upon the Lachine Canal.—Date 21st February, 1851.
- APPENDIX No. 16.**—Copy of auctioneers' account for sale of hydraulic lots upon the Lachine Canal.
- APPENDIX No. 17.**—Copy of report of Commissioners of Public Works of lease of land and surplus water at St. Gabriel Lock.—Date, 17th April, 1851.
- APPENDIX No. 18.**—Copy of the legal opinion of the Attorney General, Lower Canada, on the validity of the lease to Young & Gould of the land and surplus water at St. Gabriel Lock.—Date, 15th February, 1853.
- APPENDIX No. 19.**—Statement of the names of turbines, or water-wheels, impelling machinery at St. Gabriel Lock; the total approximate number of square inches of gate openings admitting water to said wheels; the total number of square inches in use, and number of square inches the users of water are entitled to under their leases from Young & Gould or assigns.

Côte St. Paul.

- APPENDIX No. 20.**—Copy of Order in Council sanctioning sale by public auction of the hydraulic lots and surplus water at Côte St. Paul Lock.—Date, 9th October, 1852.
- APPENDIX No. 21.**—Copy of general conditions of proposed lease of hydraulic lot and surplus water at Côte St. Paul, signed by the Chief Commissioner of Public Works—Date, 14th January, 1853.
- APPENDIX No. 22.**—Statement of the names of turbines, or water-wheels, at Côte St. Paul; the approximate quantity of square inches of water in use or in preparation for use; also the quantity leased.

Young & Gould, or Assigns.

- APPENDIX No. 23.**—Statement of number of runs of stones (150 square inches, to run, of gate opening), leased by Young & Gould, or assigns, and the manner in which their lessees have sub-divided this number.

By the deed of partition (Appendix No. 25) the property, and water powers, amounting to 94 runs, were divided into four parts; 92 runs were subsequently leased as per statement. At the enlargement of the Canal two mill sites were required for Canal purposes, they were taken under the stipulations of the lease, upon these lots 12 runs of stones were used which have been since leased, or sold, to be used elsewhere. This statement is summarized thus :

	No.
Runs of stones used.....	147
do leased by Young & Gould.....	92
do Young & Gould entitled to.....	20

- APPENDIX No. 24.—Deeds of partition ; Young, Gould, DeWitt & Ostell.—Date, 13th February, 1852.
- APPENDIX No. 25.—Deed of partition superseding above, Young, Gould, DeWitt & Ostell.—Date, 12th June, 1853.
- APPENDIX No. 26.—Evidence of Wm. King, of King & Maltby.
- APPENDIX No. 27.—Evidence of John McDougall, of McDougall, Logie & Co.
- APPENDIX No. 28.—Evidence of James H. Peck, of Peck, Benny & Co., and supplementary evidence.
- APPENDIX No. 29.—Evidence of C. & O. Gould, as to Basin No. 2 and St. Gabriel Lock.
- APPENDIX No. 30.—Evidence of R. Hersey, of Pillow, Hersey & Co.
- APPENDIX No. 31.—Evidence of H. Lyman.
- APPENDIX No. 32.—Evidence of G. & W. Tate.
- APPENDIX No. 33.—Evidence of James McDougall, an original purchaser and lessee.
- APPENDIX No. 34.—Evidence of John S. Hall, an original lessee.
- APPENDIX No. 35.—Evidence of John Ostell, as one of the proprietors of St. Gabriel Water Power Company.
- APPENDIX No. 36.—Evidence of James Inglis, representing assigns of J. Young.
- APPENDIX No. 37.—Evidence of Auguste Cantin.
- APPENDIX No. 38.—Evidence of John Dyer and Andrew Rough, representing John McDougall.
- APPENDIX No. 39.—Evidence of R. Forsyth.
- APPENDIX No. 40.—Evidence of G. Steacey, of Crathern & Caverhill.
- APPENDIX No. 41.—Evidence of J. H. Shaw, of Montreal Woollen Mills.
- APPENDIX No. 42.—Evidence of John Ogilvie, of Ogilvie & Co.
- APPENDIX No. 43.—Evidence of the Hon. A. W. Ogilvie.
- APPENDIX No. 44.—Evidence of J. W. Smith.
- APPENDIX No. 45.—Evidence of A. W. Morris, of the Converse Cordage Works.
- APPENDIX No. 46.—Evidence of J. T. Shearer.
- APPENDIX No. 47.—Evidence of J. F. Paul.
- APPENDIX No. 48.—Evidence of J. Ostell, as lessee.
- APPENDIX No. 49.—Evidence of Henry Archibald, representing Frothingham estate.
- APPENDIX No. 50.—Evidence of L. M. Heney, of Montreal Blanket Co.
- APPENDIX No. 51.—Evidence of H. W. Warren.
- APPENDIX No. 52.—Evidence of W. B. Gifford, of the Leather Board Co.
- APPENDIX No. 53.—Evidence of S. Dunn.
- APPENDIX No. 54.—Evidence of J. Dunn.
- APPENDIX No. 55.—Evidence of D. W. Ross, of the Montreal Milling Co.
- APPENDIX No. 56.—Evidence of E. Gilmour.
- APPENDIX No. 57.—Evidence of C. L. Clark.
- APPENDIX No. 58.—Evidence of J. R. Hutchings.
- APPENDIX No. 59.—Evidence of T. Pringle, M. E., and millwright.
- APPENDIX No. 60.—Evidence of A. Jeffrey, millwright and contractor.

APPENDIX No. 1.
COPY OF NOTICE IN MONTREAL PILOT.
VALUABLE MILL SEATS.

Notice is hereby given that three valuable mill seats on the Lachine Canal, viz., two situated on the south side of the basin above Lock No. 2, marked on plan No. 10 and 11 and the other on the north side of Lock No. 2, will be disposed of at Public Auction at the office of Public Works on Monday the 23rd day of November next at noon.

The plan of the ground, and plans and specifications relative to the manner of taking the water, &c., may be seen at this office on and after the 1st November where any other information as to the terms of purchase, &c., may be obtained.

The lots are particularly well adapted for the construction of mills for flouring and manufacturing purposes, being within the city, on the basins of the canal, and of easy access both by land and water.

The fall at the ordinary level of the river will be at Lots No. 10 and 11 about 20 feet, and at Lock No. 2, 13 feet, with an ample supply of water for milling purposes.

By order.

(Signed) THOMAS A. BEGLY,
Secretary.

DEPARTMENT OF PUBLIC WORKS,
MONTREAL, 19th October, 1846.

APPENDIX No. 2.

MONTREAL, 5 novembre 1846.

MONSIEUR,—Nous avons l'honneur de soumettre à Son Excellence en Conseil, le rapport de l'Ingénieur en chef du canal de Lachine, M. Barrett, sur les places de moulin offertes en vente sur le canal près de la ville. Ce rapport est accompagné d'observations et conditions judicieuses; et ce département désirerait savoir la décision du Conseil à ce sujet, afin de les communiquer à ceux qui veulent enchérir, et qui requièrent des informations.

Sans entrer dans les considérations qui sont du ressort de l'Ingénieur, ce département prend la liberté d'observer qu'il serait peut-être plus prudent de ne pas aliéner pour toujours ces places de moulin, qui dans un pays nouveau et augmentant rapidement comme celui-ci, par ses ressources intérieures, ne manqueraient pas d'obtenir une grande valeur par la suite, vu leurs positions particulières. Ce département soumet en conséquence au Conseil s'il ne conviendrait pas mieux de donner un bail emphytéotique de vingt-cinq à trente années que de vendre tout à fait ces divers lots, et dans tous les cas il pense qu'il faudrait donner des terres faciles de paiement pour ne pas gêner les acquéreurs dans l'érection des bâtisses et autres améliorations à faire sur ces lots et qu'il devrait être alloué cinq années pour en effectuer le paiement par installéments égaux, dont le premier payable contant et les autres annuellement avec intérêt.

J'ai l'honneur d'être, monsieur,
Votre très obéissant serviteur,

(Signé) C. E. CASGRAIN.

APPENDIX No. 3.

DESCRIPTION OF THE HYDRAULIC PRIVILEGES UPON THE LACHINE CANAL NOW OFFERED FOR "LEASE" BY THE DEPARTMENT OF PUBLIC WORKS.

The lots offered to be leased are, first: Nos. 10 and 11, situated upon the south side of the Canal Basin, opposite the Forwarding Warehouse.

They will have each 80 feet of frontage upon the Canal Basin from which they will be supplied with sufficient water to drive four runs of stones by overshot wheels or enough to propel other machinery requiring an equal amount of power. The lots will extend from the Canal Basin to the river, leaving a road reserve of 40 feet in breadth at the distance of 160 feet from the front of the basin wall. Loaded vessels may come alongside the wharf 'for exchange of freight,' and stores or sheds may be built fronting upon the basin, provided their front walls are not built within less than 10 feet of the face of the basin wall.

The head and fall at lowest water in the river, opposite those sites, will be 26 feet, and at the ordinary summer level in the Montreal Harbor, 24 feet. During the season of navigation the water will be supplied over a waste weir 36 feet in breadth or $4\frac{1}{2}$ feet for each run of stones, the upper edge of which will be $6\frac{1}{2}$ inches under top water line of the canal, and will afford a discharge of 360 cubic feet per minute for each run of stones. In winter the water will be supplied by sluices through the wall, placed 4 feet below the surface of the water, where the frost will not impede its flow.

Flumes will be constructed behind the wall to catch the water and conduct it to the wheels. They will be carried as far as 30 feet from the face of the wall at the expense of the Department, and a partition formed to separate the water opposite to each lot if necessary, but the remainder must be built by the lessee of the lot and at his own expense, and will also be required to keep the whole of it in thorough repair. The mill-race must be conducted under the road, which is to be restored to its uniform grade after the race has been completed.

There will be two sluices 3 by 2 feet for each lot, the machinery for which will be provided, placed, governed and regulated by the Department, and will be always under its control. The sluices will be locked down during the season of navigation, and raised at other times by the officer in charge of the canal unless otherwise directed.

For the effective working of the machinery, if will be necessary, while it is running, to have a fall of about 12 inches from the surface of the water in the canal to the surface of that in the mill-race immediately over the wheel, and allowing the same fall in the tail-race, the clear head and fall will be reduced to 22 feet in the ordinary stages of the river during the summer.

The foregoing description is given for the information of persons desirous of leasing the lots, but it is to be particularly observed that the Department does not guarantee to the lessees any more water than what will be supplied in summer over the weir, as above described, which will have its edge placed at a level of $6\frac{1}{2}$ inches below the top water line of the canal; and when the navigation is closed the quantity that will pass through two openings, 2 by 3 feet each, as before stated.

The lots at Locks at 1 and 2 are to be situated as shown on the trace plan hereunto annexed and to be of the dimensions there stated.

The water to move the machinery of the mill at Lock 2 will be drawn from Basin No. 2, and for the mill at Lock 1, should there be one erected at a future period, from Basin No. 1, and sufficient provision will be made by weir sluice, or otherwise, to keep the water in this latter basin at its proper level when the mill at Lock No. 2

is not in full operation. Provision will also be made for discharging the surplus water from Basin No. 1 into the St. Lawrence, when the mill at Lock No 2 is not in full operation.

The weir and sluices (which will be similar in form of construction to those for the proposed mills on Lots 10 and 11) and also the works that may be provided for discharging the water independently of the mills into the levels below, will be made and maintained at the expense of the Department of Public Works; but all other expenses necessary for leading the water to the wheel, and in applying it to practical purposes, and in providing for the discharge from the wheel into the levels below the mills, to be at the expense and maintenance of the lessee; all which is to be so done as not in anywise to endanger the works of the canal. The whole to be subject to the inspection and approval of the officer of the Department of Public Works at the time of its being constructed, and at all times thereafter; and the lessee must incur any necessary expense in making safe and secure any defect that may be found on such inspection.

The weirs and flumes admitting the water into the flumes leading to the mills will be suited to discharge 6,000 cubic feet of water per minute, which may be increased to 8,000 at the discretion of the Department, so that the lessee will tender for these two quantities separately.

At these sites there will be but one building allowed for the use of milling or machinery at each, which may be connected with one other building for warehousing purposes, all of which are to be built of stone, with iron or tin roofs, and otherwise subject to the laws of the Corporation of Montreal.

The bottom of the opening of the dock wall at the foot of the mills for discharging the water from the wheels is to be not less than 6 feet under the surface of the level at low water in Basin No. 1, and not less than 3 feet below the surface of the St. Lawrence at low water at the point of discharge into that river; and after these flumes shall have been put in the walls are to be carried over and the coping restored to its former position, and the whole levelled up with the earth both above and below the mills at the cost of the lessee.

The water in the canal to be at all times kept up to full height, except in case of a breach, or when repairs, alterations or amendments are to be made in the canal, or any of the works connected with it, requiring the water to be drawn off for a time. The lessee is to take the privilege upon the above conditions, and at the risk to himself of all stoppages or interruptions occasioned by the contingencies referred to. The water in the enlarged canal will not be raised to its full height on this reach until after the opening of the navigation in the spring of 1847, or the 1st of August, 1847, and the Department will not, therefore, guarantee a supply of water until that later period.

The privileges will be leased for a term of not less than 21 years—rent payable half yearly,—the Department reserving the right of assuming the property at the expiry of the lease upon paying for all improvements made by the lessee at a fair valuation settled by experts or by arbitration.

NOTE.—The lift of Locks 1 and 2 is 13 feet, but at Lock 1 this fall is subject to be diminished by the rising of the water in the St. Lawrence at any time, to which that of Lock 2 is less exposed, being only affected by the high winter rise of the river occasioned by the piling of the ice.

(Signed) ALFRED BARRETT,
Civil Engineer.

APPENDIX No. 4.

COPY OF A REPORT OF A COMMITTEE OF THE HONORABLE THE EXECUTIVE COUNCIL, DATED 9TH NOVEMBER, 1846, APPROVED BY HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL, ON THE SAME DAY.

On the communication from the Hon. C. E. Casgrain, 5th November, 1846, transmitting, with suggestions, the Report of Mr. Alfred Barrett, Engineer, on the mill sites upon the Lachine Canal now advertised for sale:

The Committee recommend for Your Excellency's approval the suggestions contained in the Report of Mr. Barrett, and that the mill sites be disposed of under leases of twenty-one years, subject to the conditions and restrictions contained in the said report.

Certified,

(Signed.) E. PARENT.

To the Provincial Secretary.

APPENDIX No. 5.

COPY OF CONDITIONS, REGULATIONS, &c., OF MR. BARRETT, READ AT PUBLIC SALE, &c.

DESCRIPTION OF THE HYDRAULIC PRIVILEGES UPON THE LACHINE CANAL, NOW OFFERED FOR LEASE BY THE DEPARTMENT OF PUBLIC WORKS.

The lots now offered to be leased are Nos. 9, 10 and 11, situated upon the south side of the canal basin (No. 2), opposite the forwarding warehouses.

They will have each 80 feet of frontage from the canal basin, from which they will be supplied with sufficient water calculated to drive four runs of stones by over-shot wheels, or enough to propel other machinery requiring an equal amount of power. The lots will extend from a line parallel to 8 feet distant from the face of the coping of the wharf or dock walls at top, to the river, leaving a road reserve of 40 feet in breadth at a distance of 150 feet from the front of the basin wall. Loaded vessels may come along side the wharf for discharging and receiving freight; and buildings may be erected fronting upon the basin, provided their front walls are not built within 10 feet of the face of the basin walls.

The fall at lowest water in the river opposite these sites will be about 26 feet, and at the ordinary summer level in the Montreal harbor about 24 feet. During the season of navigation, the water will be supplied over a waste weir of suitable breadth, the upper edge of which will be six and a-half inches under top water line of the canal, to supply about 360 cubic feet per minute for each run of stones, excepting at such periods when irregularities, in the level of the basin, necessarily arising from a rapid succession of lockages from or into it, may for a time increase or diminish the supply.

In winter the water will be supplied by sluices, through the walls, the top of which will be placed four feet below the surface of the water in the basin.

Flumes will be constructed behind the wall to receive the water and conduct it to the wheels, they will be placed one-half their breadth on each lot, and carried as far as 30 feet from the face of the wall at the expence of the Department, with a partition formed to separate the water opposite to each lot if necessary, but the remainder must be built by the lessee of each lot, and at his own expense, who will also be

required to keep the whole of it in thorough repair. The mill-race must be conducted under the road, which is to be formed to such grade as shall be established by the Department of Public Works, after the race has been completed.

There will be two sluices affording a supply for each run of stone of about 360 cubic feet per minute (the same as supplied over the weir) for each lot, the machinery for which will be provided, placed, governed and regulated by the Department, and will be always under its control.

For the effective working of the machinery, it will be necessary, while it is running to have a fall of about 12 inches from the surface of that in the race immediately over the wheel, and allowing the same fall in the tail race, the clear head and fall will be reduced to about 22 feet in the ordinary stages of the river during the summer.

Whatever buildings may be constructed by the lessees, on these lots, shall be substantial erections of brick or stone, roofed with sheet iron or tin, or otherwise rendered fireproof, and shall be subject, in all particulars, to the laws of the Corporation of the city of Montreal.

The foregoing description is given for the information of persons desirous of leasing the lots, but it is to be particularly observed that the Department does not guarantee to the lessees any more water than will be supplied in summer over the weir, and in winter through the sluices.

The water in the canal to be at all times (summer and winter) kept up to full height, except in case of a breach, or when repairs, alterations, or amendments are to be made in the canal or any of the works connected with it, requiring the water to be drawn off for a time. The lessee is to take the privilege upon the above conditions, and at the risk to himself of all stoppages or interruptions occasioned by contingencies referred to and including obstructions from frost in the vicinity of the supply.

The water in the enlarged canal on this reach will not be raised to its full height until the 1st August, 1847,—and the Department will not, therefore, guarantee a supply of water until that period.

The Department also reserves the right of supplying this quantity through the sluices, or over the weirs, at any season, at their own discretion. The supply subject in either case to the irregularities before mentioned.

It is also to be understood that in reserving a breadth of eight feet from the front of the lots, parallel to the walls, that it is reserved with a view of allowing the officers of the Government a free passage for making repairs or inspection of the sluices and races, or for working the sluice-gates, or for any other necessary purpose connected therewith.

(Signed) ALFRED BARRETT,
Engineer.

Copy of certificates of auctioneers that the conditions and regulations were read at Sale, and the parties to whom the lots were adjudged.

This day, 23rd November, 1846, the above conditions were read to the audience called together by public advertisement, and the leases were adjudged subject to the above conditions as follows:—

Lots No. 11 to McDougall.
do 10 to Thomas Peck,
do 9 to Lovett.
do 8 to James Harvey.

Each for the sum of one hundred and seven pounds, ten shillings per annum.

(Signed) JOHN LEEMING,
Auctioneer, Montreal.

MONTREAL, 23rd November, 1846.

The privileges will be leased for a term of twenty-one years, the rent payable half yearly. The lessee to have the option of obtaining a lease for a second term of twenty-one years, the ground rent for such second term to be settled by experts or by arbitration. At the end of such second term the property with all the improvements to revert to the Crown. The Crown to have the power of resuming the property at the end of the first term of twenty-one years upon paying for all buildings and erections standing thereon, at the end of the term, at a valuation to be settled by experts or by arbitration. The rent to commence from the date of sale.

All vessels loading or unloading in any of the canal basins shall be subject to such canal regulations as may be established from time to time for the regulating of the traffic of the canal and for the convenience of the trade.

(Signed) JOHN LEEING,
Auctioneer.

MONTREAL, 12th January, 1847.

The foregoing conditions were read to the audience and Water Lot No. 12 was adjudged to Thorne & Heward for the annual rent of £108 currency.

(Signed) NORMAN BETHUNE,
Auctioneer to Her Majesty.

22nd MAY, 1847.

At an auction held this day for the sale, pursuant to public advertisement, of Lot No. 13, the annexed conditions were read over and the following additions and alterations were made as conditions upon which the lot was sold:

Page 1.—The lots will extend from a line parallel to, and 10 feet distant from, &c., instead of 8 feet.

Page 3.—The flumes will be carried back 12 feet instead of 30 feet from the face of the wall.

Same page.—The lines scored underneath were omitted and the following substituted: "There will be one sluice for each lot, affording the same supply of water as above stated, and another sluice for each lot may be put in at the option of the Department."

Page 5.—The water will not be raised to its full height until the 15th September, 1847, instead of 1st August, 1847.

Whereupon the said Lot No. 13 was adjudged to Messrs. Thorne & Heward, for the annual rent of £108. And upon request of the company present and with the consent of the Commissioners of Public Works, the adjoining Lot No. 14 was then put up and adjudged upon the same conditions to Mr. Gould at the annual rent of £108.

(Signed) JOHN LEEING
Auctioneer.

APPENDIX No. 6.

MONTREAL, 25th March, 1847.

SIR,—Mr. Peck and Mr. McDougall called upon me yesterday for an alteration in the foundation or level of the bottom of their flume, and to state that in the specification exhibited at the day of sale, nothing was said relative to changes in the water of the St. Lawrence between summer and winter.

I did not then make any explanation to them on the point. But it is evident that not a person present at that sale was ignorant of the fact. However, I drew the specification as it is, that it might be better guarded than by attempting to declare the different elevations or changes it might take.

The language is that the weirs and sluices will be sufficient to pass the stated supply of water necessary for the number of stones named applied to an over shot wheel under the head stated leaving the changes of the river whether it gave more or loss to the purchaser.

Relating to shifting the level of the bed of the flume, I at present see no objection, but will look at the matter. I am certain, however, that they are the losers by the change and I endeavored to convince them of this.

I have the honor to be, Sir,
Your most obedient servant,
(Signed) A. BARRETT,
Civil Engineer.

T. A. BEGBY, Esq.,
Department of Public Works.

APPENDIX No. 7.

**EXTRACTS FROM LEASE REFERRING TO CONDITIONS READ AT SALE,
AND THE CLAUSE BINDING LESSEE TO PAY FOR ADDITIONAL
WATER USED ABOVE THE AMOUNT SPECIFIED.**

Subject, however, to the conditions hereinafter mentioned, part whereof were read over, and agreed upon at the time of the sale of the said lot by public auction on the 22nd day of May, and the remainder have since been agreed upon between the parties hereto, and are substituted as containing the final and express conditions upon which the lease of Lot 14 and the supply of water thereto is granted, and such parts of the conditions of public sale as are repugnant hereto are hereby rescinded, and such other parts as are not hereby rescinded are to remain in force.

That, should the said Ira Gould be desirous of obtaining the whole of the water-power that can be supplied through the said sluices, the said Commissioners will, upon receiving the sanction of His Excellency in Council, grant it upon determining the amount of additional rent to be paid therefor.

And the said Ira Gould for himself, his executors, administrators and assigns, doth hereby covenant and agree with the said Commissioners, and their successors in office, that he will well and truly pay the said rent in manner aforesaid free from any deduction. * * * Nor will he claim to have a right to the whole of the water that could be supplied through the said sluices, in case they should be found more than sufficient to propel four runs of stones and machinery; and that the said Commissioners and their officers may, at all seasonable times, have access to the said

premises, for any purpose that they may consider necessary connected with the management of the said canal, or for the purpose of examining the condition of the said flume or for ascertaining the amount of water used or supplied through the sluices.

COPY of letter of Secretary of Public Works transmitting these conditions and leases for the approval and sanction of His Excellency in Council.

PUBLIC WORKS, 3rd July, 1847.

SIR,—I am directed to enclose two leases of water-power, on the Lachine Canal, to Mr. Gould and Messrs. Thorne & Heward, and I request the sanction of His Excellency in Council for perfecting the same in accordance with the Act 9 Vic., chap. 37.

I have the honor to be,
Your very obedient servant,

(Signed) THOMAS A. BEGBY,
Secretary.

HON. D. DALY,
Provincia Secretary.

EXTRACT from a Report of a Committee of the Honorable the Executive Council on Matters of State, dated 15th July, 1847, approved by His Excellency the Governor in Council on the same day.

On the letter of the Commissioners of Public Works, dated 3rd July inst., transmitting two leases of water-power on the Lachine Canal, and requesting the sanction of Your Excellency in Council for perfecting the same in accordance with the Act 9 Vic., Chap. 37:

The Honorable the Attorney-General for Lower Canada, to whom these leases have been submitted, states that having perused the leases from the Commissioners of the Public Works to Ira Gould and Messrs. Thorne & Heward, he is of opinion and there exists no objection to Your Excellency's approving the same.

The Committee therefore humbly advise Your Excellency to approve of the leases accordingly.

Certified.

(Signed) W. H. LEE.

APPENDIX No. 8.

STATEMENT of Water-wheels, head, approximate cubic feet per second wheels will discharge, amount stated to be used, and water leased, Basin No. 2.

Name of Lessee.	No. of Lot.	Name of Water-wheel.	Diameter of wheel, inches.	Head on wheel, feet.	Approx. cubic feet per second wheels will discharge.	Approx. cubic feet said to be used.	Cubic feet per second leased.
King & Maltby	W. ½, 3, 4	Sampson, 450 sq. inches.	60	10	47·5	47·5	24'
do	do	Sampson, 350"	48	10	37·0	37·0	
McDougall, Logie & Co.	5½, 6	Tyler (2), 140"	42	16	37·4	37·4	24'
do	do	do	36	16	18·7	18·7	
do	do	Leffel	48	16	57·5	57·5	
Peck, Benny & Co.....	½, 6, 7	do	72	16½	170·0	140·0	96'
do	8	Hercules	54	13½	156·0	100·0	
do	10	Tyler, 700"	72	16	93·5	60·0	
do	10	Leffel (2)	48	16	115·0	69·0	
do	11	Centre disc, 160"	54	12½	18·0	9·0	
Est. Ira Gould.....	12, 13	Tylers (4), 200"	16	19	116·0	116·0	72'
do	13	Little Giant	33	19	29·7	14·8	
do	14	Galt Hercules (2)	48	16	216·0	108·0	
do	14	Archimedian	36	16	31·0	31·0	
do	14	Centre Vent, No. 4 .....	.....	16	117·4	58·7
Pillow, Hersey & Co.....	15 & 16	Tyler, 300 square inches.	54	15	38·8	38·8	48'
do	do	do 400 do	60	15	50·0	50·0	
do	do	do 500 do	66	15	64·8	64·8	
do	do	Leffel	66	15	134·6	.....
H. Lyman.....	17	Leffel (3)	48	16	173·7	70·0	24'
do	17	do	40	16	40·0	.....
O'Gilvie & Co.....	18, 19	Hercules (2)	51	18	366·8	366·8	48'
do	18, 19	do	36	18	89·3	.....
G. & W. Tate.....	Dock.	Hercules	48	13	138·0	69·0	24'
do	do	Dominion, 450"	60	13	54·0	54·0	
Govt. Electric Light.....	Leffel (3)	56	10	232·3	116·0	
		Total	2643·0	1725·0	
		Total Govt. Lessees.....	2410·0	1609·0	

APPENDIX No. 9.

STATEMENT OF STANDARD HEADS AT LOCKS NOS. 3 AND 4 AND AT BASIN NO. 2.

River St. Lawrence varies, Government calculations 20 feet head at basin No. 2 and 6 cubic feet per second to run of stones.—Order in Council, 9th November, 1846.

Level of Basin No. 2 above datum, 52.417 feet.

Level of reach above Lock No. 3 datum, 61.083 feet.

Level of reach above Lock No. 4 datum, 70.083 feet.

Head at Lock No. 3, 8.666.

Head at Lock No. 4, 9.000 feet.

Number of runs of stones leased at Basin No. 2, 60 runs.

St. Gabriel Lock No. 3, surplus water, 26 runs of nearly 14 cubic feet per second.

Head 20 feet : Head $8\frac{2}{3}$ feet : 60 runs : 26 runs.

Head $8\frac{2}{3}$ feet : Head 20 feet : 6 cubic feet : 13.85 cubic feet.

Côte St. Paul Lock No. 4, surplus water, 27 runs, of $13\frac{1}{2}$ cubic feet per second.

Head 9 : Head 20 : 6 cubic feet : $13\frac{1}{2}$ cubic feet.

Head 20 : Head 9 : 60 runs : 27 runs.

APPENDIX No. 10.

EXTRACT FROM A REPORT OF A COMMITTEE OF THE HONORABLE THE EXECUTIVE COUNCIL ON MATTERS OF STATE, DATED 16TH AUGUST, 1850, APPROVED BY HIS EXCELLENCY IN COUNCIL ON THE SAME DAY.

On the communication of the Honorable the Commissioners of Public Works, dated 15th August instant, the Commissioners report as follows, viz. :—

“ By the recent Act amending the laws relating to the Public Works of this Province, the Commissioners are empowered to take lands, water, &c., in certain cases, and under the provisions of the 9th Vic., chap. 37, to dispose of the same, and as various applications have been made for the purchase of property, and the lease of water-power, the Commissioners respectfully recommend that whatever land adjoining any lock or water-power created by the construction of any public work as they may deem necessary to be set apart for the purpose of erecting machinery thereon, the same shall be purchased at a reasonable rate of compensation, or in case of non-agreement, be referred for settlement to the Provincial arbitrators.

“ The Commissioners further recommend a statement being made of all landed property attached to each respective public work, and notice given that tenders will be received from parties for the purchase of the same on or before the 1st January next, any such property to be disposed of under the sanction of His Excellency.

“ Also the adoption of similar rules and regulations on the sale of water-power on all other public works as is followed on the Welland Canal, in place of the present form of lease, which guarantees a certain quantity of water, with the exception, however, of prices and rates, which are to be established upon the scale recommended by the Commissioners appended hereto.”

The Committee respectfully advise that the several recommendations of the Commissioners be approved and carried into effect.

Certified.

(Signed) J. JOSEPH,
C. E.

APPENDIX No. II.

HYDRAULIC LOTS, &c., FOR SALE.

The Commissioners of Public Works hereby give notice, that in accordance with the Act 13th and 14th Vic., ch. 13, they are prepared to receive offers from persons desirous of using the water-powers created by the locks upon the St. Lawrence Canals, at the several places named below, and to grant leases of the same for a term of 21 years, renewable at the end of that term upon certain conditions, which, with plans exhibiting the localities, may be seen, and any further information obtained on application to the local superintendents in the respective works or at this office, on and after the 15th instant.

Lachine Canal.

1. Hydraulic lots, with water sufficient to propel four runs of stones each, situate on the Upper Canal Basin, opposite the forwarding stores in Montreal.

Head and fall during summer vary from 20 to 26 feet; during winter, from 10 to 15 feet, subject only to interruptions from accidents to the canal, or from delays from making repairs. The whole power is disposable after the waste weirs shall have been built, which will be by 1st June next.

2. A triangular plot of ground with a frontage of 600 feet upon the same basin, set apart for one or more dry docks, and with water-powers sufficient to propel a gang of saws or equal to that required for four runs of stones, containing about 3 arpents, 19 perches, exclusive of allowance for a road on the other two sides of it.

3. A lot of ground at Lock No. 3 (St. Gabriel Lock) containing about 3 arpents, 25 perches, well adapted for the construction of a dry dock, and with water power at disposal equal to 26 runs of stones, of which power equal to four runs will be set apart for the machinery connected with the dock. Head and fall $8\frac{1}{2}$ feet. Three other lots situated on the north-west bank of canal, below St. Gabriel Lock (No. 3), having a frontage of 100 feet, and a depth of 100 feet, with supply of surplus water for four runs of stones each.

4. A lot of ground containing about 2 arpents, 25 perches, being an island situated in the canal, opposite to Castle Basin, and suitable for a ship or lumber yard.

5. Five hydraulic lots at Lock No. 4, each about 70 French feet frontage, Côte St. Paul, with powers equal to four runs of stones each—9 feet head and fall. Vessels may come alongside the mills. This privilege, if taken by one party, would afford great facilities for the establishment of an extensive iron manufactory for making nails, rolling iron, &c.,

By order.

(Signed). THOMAS A. BEGBY,
Secretary.

DEPARTMENT OF PUBLIC WORKS,
TORONTO, 3rd October, 1850.

APPENDIX No. 12.

LIST OF HYDRAULIC PRIVILEGES AND LANDS SUITABLE FOR DRY DOCKS AND SHIP YARDS, ON THE LINE OF THE SAINT LAWRENCE CANALS, PROPOSED TO BE LEASED.
Lachine Canal.

1. Several hydraulic lots with water sufficient to propel four runs of stones each, situated on the Upper Canal Basin, opposite the Forwarding Stores in Montreal. Head and fall during summer varying from 20 to 26 feet; during winter from 10 to 15 feet, subject only to interruption from accidents to the canal, or from delays from making repairs and improvements. The whole power disposable after the waste weirs shall have been built, which will be by 1st June next.—Upset price for each lot and water for four runs of stones, £ per annum, being for land rent £ , and water rent £ ,—Total, £ .

2. A lot of ground at Lock No. 3 (St. Gabriel's Lock) containing about 3 arpents, 25 perches, well adapted for the construction of a dry dock, and with water power equal to four runs of stones, set apart for the machinery connected therewith. Head and fall $8\frac{1}{2}$ feet.—Upset rental £ per annum, for this privilege.

3. A lot of ground containing 2 arpents, 25 perches, being an island situated in the canal opposite Castle's Basin, and suitable for a ship or lumber yard.—Upset rental £ per annum.

Three lots situated on the north-west bank of the canal, below St. Gabriel's Lock (No. 3) having a frontage of 132 feet each and a depth of about 125 feet, with supply of surplus water for four run of stones each; and three other lots situated on the south bank of the canal, above the lock, giving frontage of feet each, and a depth of feet each.—The upset price for each lot £ per annum.

4. Five hydraulic lots at Lock No. 4, each about 60 French feet frontage, Côte St. Paul, with power equal to four run of stones each—nine feet head and fall; vessels may come alongside the mills. This privilege taken entirely by one party, would afford great facilities for the establishment of an extensive iron manufactory, making nails, rolling iron, &c.—Upset rental £ per annum; land, £ ; water, £ ; total, £ .

DEPT. PUBLIC WORKS,
2nd December, 1850.

APPENDIX No. 13.

COPY OF THE APPLICATION FOR THE CONTROL OF THE LAND AND WATER BY JOHN YOUNG, ESQ.

MONTREAL, 12th December, 1850.

SIR,—I beg to enquire whether the Board of Public Works are willing to lease the whole of the lands and privileges on the Lachine Canal included under the third head of the public advertisement, to an association of individuals, they (the latter) binding themselves to make all the necessary sluices and other works (hereto constructed by the Board of Public Works) and also to acquire all the necessary lands exterior to those belonging to the canal. The parties with whom I act in this project,

are anxious to have the entire control of the water-power of this section of the canal, and should the Board be favorably disposed towards this proposition, they are prepared to make an offer for the entire surplus water of the level above St. Gabriel Lock, so soon as they are informed what conditions and restrictions may be deemed necessary on the part of the Government.

I have the honor to be, Sir,
Your obedient servant,

(Signed) JOHN YOUNG.

THOMAS A. BEGBY, Esq.,
Secretary Board of Public Works.

APPENDIX No 14.

COPY OF REPORT OF CHIEF ENGINEER UPON MR. YOUNG'S APPLICATION.

PUBLIC WORKS, TORONTO, 21st December, 1850.

SIR,—Respecting the application of John Young, Esq., on behalf of a company proposing to lease all the surplus water of the Lachine Canal passing round the lock at St. Gabriel, I have the honor to state:—

It appears very desirable for the general interests of the country to encourage the formation of such companies for the establishment of machinery and using the water-power along the line of the canals, and it may even be considered advisable to give a *preference* to the application of companies over those of individuals, wherever, as in this instance, the company can offer satisfactory reference as regards their capital and capability of bringing the whole power into full operation.

But, however desirable it may be to encourage companies, and the introduction of capital, it is to be feared the Commissioners cannot in this instance, with propriety, overlook the claims of previous applicants.

There are now in this office several applications for privileges at this lock, some of them of more than two years' standing, and according to the principle and practice regulating the disposal of such lots, *i. e.*, of setting them up at public auction whenever more than one application is received for the same lot, there appears to be no way left but to advertise the whole or all at St. Gabriel. In this case the company will have an opportunity of obtaining entire control of all the surplus water at this lock, as they seem desirous of doing.

For the conditions attached to the leasing of the water-power, Mr. Young may be referred to the printed ones sent to Mr. Gough at Montreal, who can also inform him as to the upset price placed on each lot. Six mill lots of four runs of stones each have been laid off on St. Gabriel, at an upset rental of £100 per annum for each, and a seventh lot, consisting of the island above and adjoining the locks, suitable for a dry dock, with water-power equal to four runs of stones, at an upset price of £150 per annum—making in all £750 per annum for the water privilege.

It will, however, be necessary for the Commissioners to obtain more land before the whole power can be applied, and it may also be prudent for the present to restrict the sales or leases to five privileges of four runs, equal to 20 runs in all, until it is seen how the canal can be regulated for the navigation with so much surplus water passing round the locks.

I have the honor to be, Sir,
Your obedient servant,

(Signed) SAMUEL KEEFER,
Chief Engineer Public Works.

APPENDIX No. 15.

COPY OF LOCAL ITEM, MONTREAL GAZETTE, ON FRIDAY, FEB. 21st, 1851.

SALE OF HYDRAULIC AND OTHER LOTS BY THE BOARD OF WORKS.

The following sales took place on Friday, Mr. Bernard being the auctioneer:—

1 Lot on Wellington St., Griffintown, £280, H. Jones & Co.
 3 do do do do 240 each, John Young, Esq.
 5 do do do do 300 each.

5 mill sites at St. Gabriel's Lock sold in one lot for 21 years at £420 per annum.

There is water on these lots for 20 runs of stones. Messrs. Gould and others.

One lot of ground, a dry dock, containing 5 acres 15 perches, for 21 years, at £250 per annum, Mr. Tate.

The farms advertised were not sold.

APPENDIX No. 16.

COPY OF ACCOUNT IN MR. BERNARD'S LEDGER (BEFORE COMMISSION).

THE HON. THE BOARD OF PUBLIC WORKS, CANADA,

To J. D. BERNARD, QUEEN'S AUCTIONEER, DR.

February 12, 1851.—For charges on sale of the following properties at auction,

viz.:—

1 Building Lot, Wellington St., No. 1.....	£ 260 0 0
3 do do do do 3 and 4, each £240	720 0 0
6 do do do do 5 to 10, each 300	1,800 0 0
Mills privileges, St. Gabriel Lock, per annum.....	420 0 0
Dry Dock, No. 21.....	250 0 0

£3,450 0 0

Charges.

Paid for Bills, and posting do	£ 2 0 0
Commission on amount of sales, 2½ per cent.....	96 5 0

£ 98 5 0

MONTREAL, DECEMBER 30th, 1851.

APPENDIX No. 17.

EXTRACT FROM REPORT OF CHIEF COMMISSIONER OF PUBLIC WORKS.

The Chief Commissioner reports further that he has leased the following water-power on the Lachine Canal for twenty-one years, to wit: To Messrs. John Young, Require, merchant, and Ira Gould, miller, both of Montreal, all the entire surplus water disposable, arising and flowing from the level of the Lachine Canal at and above the St. Gabriel Lock and the whole of the land not necessary for canal purposes near the said lock for the sum of four hundred and twenty pounds currency per annum by deed of lease executed before A. Jobin on the 14th February, 1851.

(Signed) JOS. BOURRET,
Chief Commissioner Public Works.

TORONTO, 17th April, 1851.

APPENDIX No. 18.

ON LETTER OF THE HONORABLE H. H. KILLALY, ASSISTANT COMMISSIONER OF PUBLIC WORKS, FOR OPINION ON THE VALIDITY OF A LEASE TO JOHN YOUNG AND IRA GOULD, ESQUIRES.

CROWN LAW DEPARTMENT,
QUEBEC, 15th February, 1853.

After considering the 17th clause of the 9th Vict. chap. 37, by which it is enacted "That the Chief Commissioner for the time being shall be the legal organ of the Commissioners and all writings and documents signed by him and countersigned by the Secretary and sealed with the seal of the Chief Commissioner, and *no others* shall be held to be acts of the said Commissioner," I am reluctantly constrained to say that I consider the document executed in favor of Messrs. John Young and Ira Gould, on the 14th February, 1851, as being *void* from the fact of the Secretary not having countersigned it. At the same time, I am bound to observe that it would be a harsh proceeding on the part of the Government to take advantage of this informality for the purpose of entirely annulling a contract entered into in good faith by the lessees. But the Department may without sacrificing even the strictest principles of honor avail itself of this defect to prevent the lessees from making encroachments upon the canal or obstructing trade upon it by interpreting the lease to the injury of the public and in a manner which could not have been contemplated by the public officer who executed it on behalf of the Government.

(Signed) LEWIS T. DRUMMOND,
Attorney General Lower Canada.

APPENDIX No. 19.

ST. GABRIEL LOCK.

STATEMENT of Water-Wheels and the approximate number of square inches of Gate opening, the number of square inches said to be used, and the number leased; also the total discharge of all the Wheels at 8 feet head.

Name.	Name of Wheels.	Diameter of Wheel.	Total Gate Opening.	Number of inches said to be used.	Number of inches Leased.	Approximate cubic feet per second discharge of all the wheels.	
		Ins.	Sq. ins.				
A. Cantin.....	Leffel.....	72	1,280	2,250	1,200	120	
	Hercules.....	42	970				87
McDougall & Cowan.....	Leffel.....	61	860	1,830	600	82	
	Tyler.....	72	700				66
	Little Giant.....	24	270				23
Paint Works.....	Leffel.....	56	740	1,700	900	69	
	Hercules.....	57	1,700				153
R. For-yth.....	Leffel.....	56	740	740	600	69	
G. Stacy.....	do.....	65	1,040	750	750	98	
Woolen Mills.....	do.....	72	1,280	1,280	1,050	120	
Weaver's Hat Factory.....	do.....	48	430	430	300	41	
Glenora Mills.....	Hercules.....	45 ⁴	4,380	6,880	4,100	392	
	do.....	42	970				87
	do.....	48	430				41
Walker Mill.....	do.....	52 ²	1,120			106	
John McDougall.....	Tyler.....	60	400	400	400	38	
J. W. Smith.....	Leffel.....	40 ²	600	600	360	57	
Est. J. A. Converse ..	do.....	96	2,160	2,160	1,200	205	
	do.....	71	1,280				120
Montreal Saw Works.....	Jonval.....	72	600	600	660	64	
G. Shearer.....	Hercules.....	45	1,090	600	600	98	
Mocock's Axe Factory.....	Tyler.....	60	500	500	300	47	
F. Paul Silk Mill.....	Hercules.....	45	1,090	550	450	98	
John Ostell.....	Tyler.....	72	750	750	450	73	
Total.....			25,360	22,020	13,800	2,353	
Total Runs.....			169	147	92		

APPENDIX No. 20.

EXTRACT FROM A REPORT OF A COMMITTEE OF THE HONORABLE THE EXECUTIVE COUNCIL ON MATTERS OF STATE, DATED 9TH OCTOBER, 1852, APPROVED BY HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL ON THE 11TH OCTOBER, 1852.

On the Report of the Assistant Commissioner of Public Works, dated 6th instant, stating that a proposal has been made for the surplus water passing the Côte St. Paul Lock, on the Lachine Canal, by a party who proposes to embark largely in the construction of locomotives, &c., and who offers an annual rent of £250;—that, although it is highly desirable to encourage the establishment of such works, and that no impediment should be placed in the way thereof, yet, from the importance of the position and the value of the property, he considers the most expedient course would be to dispose of it by public auction; and requesting that authority be granted to the Department to advertise and sell by public auction, on the first of November next, the hydraulic lots situated at the Côte St. Paul Lock; the purchaser thereof to be entitled to the use of the surplus water not required for navigation purposes, at a rent of £250 a year, and subject to the same conditions as those upon which the water-power has lately been leased by authority of Council.

The Committee recommended that the sale be authorized on the conditions above proposed by the Assistant Commissioner of Public Works.

Certified.

(Signed.)

WM. H. LEE,
Acting C. E. C.

APPENDIX No. 21.

GENERAL CONDITIONS OF PROPOSED LEASE FOR HYDRAULIC LOT AND WATER-POWER AT COTE ST. PAUL.

Lachine Canal.

The right to the water-power and hydraulic lot at Côte St. Paul will be leased by public auction at the Lachine Canal office, Montreal, on Tuesday, the 1st day of February, 1853, at the hour of 1 o'clock, p.m.

	Per annum.
Upset price of rental.....	£400 0 0
Present buildings on lot valued at the sum of.....	400 0 0

Immediately on the offer of the party being declared accepted, he or they shall pay down the sum of £250 currency, which sum shall be forfeited to Her Majesty in case any of the undermentioned conditions are not faithfully and strictly carried out but in the event of their being duly complied with, the said sum of £250 shall be applied towards payment of the rent as it falls due.

Conditions.

1st. That the lease when presented shall be duly executed by the party whose tender has been accepted, and that the rent shall commence to be payable half yearly from six months after the date of the said acceptance, and be paid on the 1st day of January and 1st day of July in each year.

2nd. That on or before the 1st day of July, 1853, the lessee shall pay over to the Department of Public Works the sum of £400 currency for the buildings and erections at present on the hydraulic lot, it being at the same time clearly and distinctly understood that the said payment shall in no respect be considered a part or portion of the annual rent stated in the lease.

The Department of Public Works to retain possession of the lockmaster's house till the 1st day of August, 1853.

3rd. That on or before the 1st day of January, 1854, an expenditure of not less than £2,000 shall have been *bona fide* incurred by the party whose offer has been accepted, in the erection of buildings, machinery, &c., on the premises leased, in default of which the lease shall be null and void, and the premises shall revert to Her Majesty, without giving any cause for allowance or compensation for such erections or improvements as may have been erected thereon.

4th. That no building or other erection shall be put up on the premises within twelve feet of a line parallel with the inner edge of the canal bank or towing path above and below the lock.

5th. That in all cases the flumes and other works and the portions thereof constructed for taking the water from the canal, shall be subject to the approval of the Commissioners of Public Works, and shall be made to their full and entire satisfaction, and to the approval of their officer in charge of the canal, the said flumes and works to be constructed by and maintained at the expense of the lessee.

6th. That the whole of the water taken from the canal above the lock shall again be returned to the canal below the lock, and means shall be adopted by which the regular flow of water into the level below shall be maintained steady at all times, whether the mills and other machinery erected and in use on the premises be at work or not, such means to be subject to the full approval of the Commissioners of Public Works, or their agent, and shall at any time be altered by the lessees and at their cost, on its being found that the means adopted have not been sufficient, such alteration to be immediately undertaken and done by the lessees when required by the Commissioners of Public Works, on pain of nullity of the lease and payment to Her Majesty of all damages incurred.

7th. That no refuse of any description from any mill or machinery erected on the premises, or driven by any portion of the water-power leased, shall be permitted to get into the canal or into any pond, basin, run or water-course connected therewith.

8th. That notwithstanding any clause or condition in the lease, the lessee shall be subject to all and every of the regulations made for the use and maintenance of the canal that are now in force or that may hereafter be established, from time to time, by order of the Governor in Council.

The lease shall be for twenty-one years, renewable at the option of the lessee at the expiration of the first and every subsequent term, upon a revaluation of the privilege, should the rent then demanded by the Commissioners of Public Works be considered too high; in such case it shall be decided by arbitrators mutually chosen, who shall appoint an umpire, if necessary, and their decision shall be final; provided always, and it being distinctly understood, that under no circumstances is the rent to be fixed at a less rate than that first stated in the original lease; Her Majesty to have the power of assuming the property or any portion of it at any time if required for public purposes, upon paying for all erections or improvements, the value of which shall be ascertained and fixed by arbitrators mutually chosen, together with ten per cent. added to the value so fixed.

And it is also to be distinctly understood that in case of the tenant, at the expiration of the lease at any period, refusing or declining to renew or continue the

said lease at such rent as may be fixed on as above described, then and in such case all the buildings and other improvements whatsoever that may have been erected or made on the premises shall remain to Her Majesty, Her heirs and successors, without paying any compensation whatever for the same.

Besides the penalties stated in the foregoing, the lessee will be required to give solvent security, on the signing of the lease, to the extent of £1,000 for the due fulfilment of the several conditions enumerated.

(Signed) J. CHABOT,
Chief Commissioner of Public Works.

DEPARTMENT OF PUBLIC WORKS,
QUEBEC, 14th January, 1853.

APPENDIX No. 22.

COTE ST. PAUL LOCK.

STATEMENT of number of square inches of Water sub-leased, Water-Wheels, number of inches of Gate openings, and used by Lessee.

Name of Sub-Lessee:	No. of Inches Sub-Leased.	Name of Wheel.	Diameter of Wheel. Inches.	No. of Inches on Wheel.	Total used by Sub-Lessee.
T. Moccock	600	Hercules	42	970	970 Mill being erected.
J. R. Hutchings	650	Tyler	72	600	600
A. & R. Clark	200	do	42	200	200
G. Gilmour	400	do	48	400	400
Montreal Milling Co.	2,700	Leffel	66	1,040	3,032
do	"	do (No. 3)....	52	1,672	
do	"	do	40	300	
Joseph Dunn	450	Little Giant	44	833	833
P. Dunn	600	Tyler (No. 2)....		600	600
Leather Board Co.	1,600	Hercules	54	1,570	1,570
Frothingham & Workman	2,200	Leffel	72	1,280	1,880
do	"	Tyler	60	600	
H. W. Warren	800	do (2), 500 ⁰¹¹	72	1,000	1,200
do	"	do (2)	48	200	
Montreal Blanket Co.	1,500	do (No. 2)....	72	1,200	1,200
				12,465	83 Runs.

APPENDIX No. 23.

STATEMENT of numbers of Runs leased by Young & Gould or Assigns and sub-
divided by Lessees.

Users of Water.	No. of Runs.	Rent of Users.	No. of Runs.	Lessees or Assigns.	No. of Runs.	Young & Gould or Assigns.	Rent to Assigns.		
		\$					\$		
A. Cantin	4	320	4	A. Cantin	8	J. McDougall.....	640	Division No. 1, John Ostell, 23 runs.	
McDougall & Co.	4	320	4	.....		Molson Estate.....	650	
Paint Works.....	6	Inc' buildings. 7 p. c. on purchase	6	Ogilvie & Co.....		Ogilvie & Co. ...	700		
Ogilvie & Co.....	8		8	.....	8			
R. Forsyth	4	700	4	R. Forsyth.....	8	J. Rielle.	1,400	Division No. 2, J. Young, 20, runs.	
Crathern & Co....	4	700	4	Crathern & Co..		12	A. Inglis.		1,200
Oathern & Co.	1	100	8	M. Woollen Mill. Rental \$800.					
M. Woollen Mill.	7	.....		Ogilvie & Co. ...	Rental \$400.....			
Green & Co.....	2	Inc build'gs	4	Ogilvie & Co.....					
Ogilvie & Co.....	2								
Ogilvie & Co.....	12	1,210	12	Ogilvie & Co.	12	Estate J. Gould.	1,210	Division No. 3, Gould & De Witt, 24 runs.	
do	1 $\frac{1}{2}$	Exchange....	4	J. McDougall.....	4	do ...	440		
J. McDougall.....	2 $\frac{3}{4}$								
Ogilvie & Co.....	2	300	4	J. W. Smith	4	do ...	440		
J. W. Smith.....	2	.....	4	M. Saw Works....	4	do ...	600	
M. Saw Works ...	4	600	4						
J. A. Converse...	8	800	8	J. A. Converse.....	8	do ...	800	Division No. 4, Gould & De Witt, deed 28 runs, 2 runs short—26 runs.	
A. Cantin	4	200	4	A. Cantin	4	do ...	200		
J. Shearer.	4	400	4	J. Shearer	4	do ...	400		
Mococks	2	.....	4	Molson Est. rented to Ogilvie & Co., \$	8	do ...	670	
Ogilvie & Co	2	.....						
J. Ostell	3	.....	4	Molson Est. rented to J. Ostell, \$750				
F. Paul.....	1	200	2	Molson Estate.....	2	do ...	200		
do	2	300							
Total.....	92		92		92		9,550		

APPENDIX No. 33.

EVIDENCE GIVEN BEFORE THE ROYAL COMMISSION APPOINTED TO ENQUIRE INTO THE LEASING OF WATER-POWER OF LACHINE CANAL, &c., &c.

Present :

Etienne H. Parent, Esq., C.E., Chairman,
Thomas Pringle, Esq., M. E., Commissioner.
John Kennedy, Esq., C. E., Commissioner,
Robert C. Douglas, Esq., C.E., Secretary.

JAMES MACDOUGALL, of the city of Montreal, being duly sworn, deposeseth and saith as follows:

By Mr. Pringle :

Q. You are one of the lessees? A. Yes.

Q. What time did you lease that first privilege No. 11 on Basin No. 2? A. It was bought at a sale November 23, 1846.

Q. Will you look over these conditions of sale now shown you and say if that is the original? A. I know what I bought.

Q. Were you at the sale? A. I was.

Q. Then the conditions of the sale were read over at the sale? A. I could not say whether they were read or not; they were either read or the parties had copies of them, one or the other.

Q. Do you remember what they were? A. Yes, I think I have some idea they were the same as those in the document by Alfred Barrett, Engineer; they were either read or taken as read, because they all had copies.

Q. It was sometime after before you got your lease? A. Yes.

Q. Do you remember how long? A. The 16th October, 1848, 2 years after.

Q. Do you remember what was paid per annum for the lease? A. £107 10s. per annum.

Q. At that time do you remember how many lots were sold? A. I know there were two, and I think there were three; I think Harvey got a lot but I am not positive of that. I bought two, and Peck took one; they were put up together.

Q. Do you remember a man called Lovett buying one? A. No.

Q. Bought for a man named Mair, of Brookville? A. I do not recollect that.

By Mr. Kennedy :

Q. Was the quantity of water specified in the conditions, do you remember? A. I have no recollection that the quantity was stated more than this, they guaranteed sufficient quantity to drive four run of stones. There was no specified quantity.

Q. In the conditions which you recognize is there a quantity mentioned? A. That condition was all altered afterwards.

Q. Is this the condition that was read at the sale? A. Yes, that must have been the condition read at the sale.

Q. And the quantity of water is mentioned there? A. As far as I recollect there was to be sufficient quantity for four run of stones, but how they figured that I cannot tell you. I do not know how that quantity was come at.

Q. Is the winter quantity correct in this document? A. Yes.

Q. Then the weirs were done away with altogether? A. Yes, and only the sluices remained, but they never supplied it until the large canal was built.

Q. That is you did not get sufficient water in winter? A. Some winters we had none until the canal was enlarged.

Q. What enlargement do you mean? A. The last one. The basins were too small.

Q. That is, enlarged to its present size? A. Yes. In summer it was lower six inches; it went up and down six inches all the time.

Q. Do you mean by that, that it was insufficient to supply the quantity of water mentioned in the document, or insufficient to supply the quantity of water drawn by all the lessees in winter? A. Sometimes there was none to draw. There was one winter it was frozen up altogether, waterworks and all.

A. Can you recollect when that was? A. I cannot give the date, but it is easy to get that, because the waterworks were frozen up; it is a good many years ago. Mr. Pringle may remember it.

By Mr. Pringle:

Q. They enlarged the sluices at Lachine in 1854 first, and the large gates were put in in 1870. The waste weir at Lachine for supplying the water? A. It was not that time the present gates were enlarged. The present ones took in the old canal. That last one was enlarged in 1870.

Q. There was a good supply after that enlargement, or a better supply? A. It was better, but not sufficient in winter.

Q. That is, you mean it was not sufficient for the whole of the mills? A. It was not sufficient. Still, the supply was better.

Q. That is it was not sufficient for the quantity of water they were using on No. 2 Basin. A. No, the whole was too small.

By Mr. Parent:

Q. That applied in summer and winter? A. Yes.

By Mr. Pringle:

Q. In winter they were using all the water they could get, all the water they could get through the mills to get power? A. Yes.

Q. Drawing more water in winter than in summer? A. I think not.

Q. It had less head on and they had to draw more water? A. No. I understood it was the smallness of the canal prevented it; the canal was not very wide either, I think that was the principal cause.

Q. On account of the dock ice drawing down the canal? A. I suppose that had something to do with it, they drew it down above before it came to us at all. They drew it down at Côte St. Paul.

Q. Can you give us any idea what your lots are worth at the present time? A. I never figured it. I do not think they have increased in value very much.

Q. You have no idea how much they are worth per foot? A. No.

Q. Can you tell us what they were sold for? A. I sold that lot to Peck for \$25,000, No. 11 as it stands, not the machinery.

Q. That is the buildings alone? A. All the buildings as they stand. I did not sell the machines.

Q. No. 5 and half of No. 6, your other place, what was that sold for? A. I never heard the correct price of that, it was somewhere in the neighborhood of \$25,000 to \$30,000, Lot No. 5 and east half of Lot No. 6, buildings and all.

Q. What were the buildings worth? A. The improvements cost more than the price they were sold at, the tail-race alone cost me over \$5,000.

By Mr. Kennedy:

Q. You mean to say the improvements on Lot No. 11 cost more? A. Very nearly double that it was sold for.

Q. That is putting the land alone? A. That is the lease of it. When I bought No. 5 and half of No. 6 I spent \$13,000 I think.

Q. With the buildings? A. Yes, there is only water-power for one lot on that. I paid between \$13,000 and \$14,000.

Q. What year was that, about? A. Nearly twenty years ago, but I could not tell you; I am not positive with regard to that, I would have to refer back. You can find that out from the leases.

Q. Those lots were bought at sheriff's sale in 1864, were those the ones you bought? A. Yes, but that sale did not go through, it was a year afterwards, there was something wrong about it and it took a year to correct it.

Q. Those other lots that were sold in 1851, I suppose they were sold on the same terms?

WITNESS.— Which ones?

By Mr. Pringle :

Q. Pillow Hersey, Lyman & Grant, Hall & Tate; were they leased on the same terms as yours? A. No, they were not leased on the same terms.

Q. What is the difference? A. The difference in the lease is with regard to water power, they used the surplus water, our lease gives the water of the canal; they have to stop before Gould's, mine, Peck's and Harvey's. They are using the surplus water; the Bartley's have the same lease as we have, they are not using the surplus, that is, the Government undertook to supply us with water winter and summer which they did not do. Nine lots were leased in that way.

Q. Eight lots of water? A. Yes, that is the way they were leased.

Q. Is there any difference in the leases but that? A. Not that I am aware of, but I could not tell because I never saw the leases.

Q. Do you know anything about the lots that were sold in 1846 by public auction? A. Yes.

Q. Your purchase was under these conditions? A. The conditions were altered afterwards.

Q. What do you mean was altered; the manner of supplying the water? A. As to the manner of supplying water and also with regard to the amount of water. The changes in the conditions are in the leases. I had a good deal of correspondence about the changes; it was not satisfactory and I got them to alter it the way the lease stands.

By Mr. Kennedy :

Q. On what points was it not satisfactory? A. About the supplying of water, that is to say we wanted to have them guarantee to supply summer and winter, which they did, in the lease, that is all.

By Mr. Pringle :

Q. There was a change in the date of the lease? A. The date of the lease was nearly two years after the purchase, but the lease was drawn out so far as I recollect.

St. Gabriel.

By Mr. Pringle :

Q. Do you know anything about the sale at St. Gabriel? A. I heard of it but I know little about it.

Q. You were not at the sale? A. No.

Q. Do you know what was to be sold, or what was advertised to be sold? A. I believe the whole water-power was to be sold as far as I knew.

Q. Do you know how much that was? A. I do not; I do not know any of the particulars about St. Gabriel Locks at all.

Q. Do you know anything about Côte St. Paul? A. I do not know any of the particulars about that either.

Q. Do you remember anything about the advertisement now shown you about the sale at St. Gabriel, what appeared in the papers at that time? A. I have no recollection of it.

Q. Have you sold out your interest altogether in the matter? A. Pretty much so; I lease part of the property.

Q. You are only a sub-lessee now? A. Yes.

Q. Could you give us your idea of the comparative value of the water power on No. 2 Basin and at St. Gabriel Locks, that is, is water for a run of stones more or less valuable at Basin No. 2 than at St. Gabriel Locks? A. I have never considered and I could not say. For some purposes the lower basin is the best and for others the other is just as good.

And further deponent saith not.

(Signed) J. J. CROWLEY,
Stenographer.

APPENDIX No. 35.

EVIDENCE GIVEN BEFORE THE ROYAL COMMISSION APPOINTED TO ENQUIRE INTO THE LEASING OF WATER-POWER ON THE LACHINE CANALS, &c., &c.

Present :

Etienne H. Parent, Esq., C.E., Chairman.
Thomas Pringle, Esq., M.E., Commissioner.
John Kennedy, Esq., C.E., Commissioner: and
Robert Douglass, Esq., C.E., Secretary.

By Mr. Parent :

Q. Mr. Ostell, do you know the object of this commission? A. No.

Q. It is to enquire into the whole question of the water-powers of the Lachine Canal and the renting of the lots on it. Have you got any of the documents? A. There are some which are not clear.

By Mr. Pringle :

Q. Have you ever seen Mr. Barrett's report on the water-powers, that is on the No. 2 Basin? A. No, I have not. I do not recollect of ever having seen Mr. Barrett's. I have seen a later report by Mr. Keefer.

Q. I think Mr. Keefer came after Mr. Barrett? A. I am not aware.

Q. I think Mr. Barrett made the first report on the water-power? A. Yes. I was under the impression it was Mr. Keefer.

Q. You were not at the sale of the first powers in November, 1846, of Peck's, McDougall's and others? A. No, I was not present. I have not a great deal of knowledge about the lower reach (shown documents). I remember the engineering of it and putting up of waste weirs, but I am not aware if it was at this time. I had charge of the wall that was built in 1851, and then Mr. Keefer made a report. So far as the lots were concerned, in the lower reach in 1846, I have no recollection in regard to them.

Q. There were lots Nos. 8, 9, 10 and 11? A. Were they sold to Ira Gould? A. No, that was Harvey's, Peck's and McDougall's. Gould's was bought in 1847. A. I do remember these.

Q. Were you at Gould's sale of 13 and 14? A. No, I was not. Were they sold at public auction?

Q. Yes, No. 13 was? A. I have no knowledge of it, all that I recollect about the lower reach is that I had charge, in 1851, of erecting the retaining walls and the sluice up to Tate's. Tate's was erected afterwards.

Q. Do you know anything about the powers that were leased in January, 1851, to Biglow, Hall & Dunn, Lyman and Grant and Hall. A. I know they were leased, but I was not directly connected with the sale.

Q. Do you know anything about the sale of Tate's dry dock in 1851? A. We considered at that time, as far as we had any knowledge that it was an unfortunate leasing—to the detriment of the Government—that is it was sold too cheap. Grant and Hall's I have no knowledge of.

Q. Then, St. Gabriel Locks—would you tell us what you know of that? A. I am not aware if the lease was granted in the original instance to Hon. John Young and Ira Gould but afterwards myself and Jacob Dewitt became partners in it.

Q. That was sold at auction, was it not? A. I am not sure whether it was sold by auction or granted direct by the Government. I do not think there was any auction about it. (Shown advertisement regarding the sale of water-power by auction.) If that was by public auction it has escaped my memory now. I know very well that I was intimate with the whole transaction, and that it was acquired by the Honorable John Young and Ira Gould at a rental of £120 per annum.

By Mr. Parent :

Q. You do not remember of the sale taking place. The *Gazette* gives an item saying that the sale took place? A. I know that a sale took place, and that the deeds were passed in the names of the Honorable John Young and Ira Gould.

By Mr. Pringle :

Q. It was advertised for the 3rd February? A. According to the advertisement the sale took place, but I have no recollection of it.

Q. You do not remember the auction sale? A. I do not remember the auction sale at all. I am well aware that a sale took place and that the deed was passed to the Honorable John Young and Ira Gould.

Q. Do you remember what time it was passed? A. In 1851, I think, in the month of May, that the deed was passed.

Q. Did you not get orders to get some plans from the auctioneer, and to lay out the lots? A. Yes, I laid out the ground as Provincial Land Surveyor at that time.

Q. Do you remember how that was laid out? How many lots were laid out? A. The lots were sold as the quantity of land then belonging to the Government, and the whole of the surplus water-power at St. Gabriel Locks.

Q. But the conditions mention twenty runs of stones? A. I don't think in the deed it mentioned twenty runs of stones.

Q. The report says five mill lots with twenty runs of stones at £120? A. I do not recollect that there was any limitation to the extent of the water-power. I think you will get it from the deeds, but I think it was the whole of the surplus water-power at that place.

Q. Is that a copy of the plan (shown plan)? A. There was no proposed dock; there was the Priest's Basin.

Q. Is that like the plan you got from the auctioneer? A. No. I do not recollect that I laid out the lots. I laid out the lines of the lands that belonged to the Government at that time, but I do not recollect of having laid out any lots.

Q. According to the advertisement, that is the way they were laid out for sale, lots 22, 23, 24, 26, 27 and 28? A. This is not a plan of how the thing was sold, because the Government were not proprietors of some of that property at this time.

Q. Was it not laid out that way before the sale? A. To my recollection it was not; it may have been.

Q. Was it not advertised to be sold according to plans? A. I cannot recollect now; this plan does not seem to agree with our purchasing of it. We leased from

the Government the land which they held, which was a slip on the south side of the canal, called the island, and the dock and also the land that belonged to the water works at that time, on the north side of the canal. These lots did not belong to the Government in the shape on this plan.

Q. Is that red line not the boundary of the Government property? A. I do not recollect that they had that amount of property on the north side. For we purchased both on the north side and the south side after we purchased them.

Q. Look at this letter, you may know something about it. (Shown letter.) A. That is my report. Those lots were laid out, but still at the same time, it was not all then the property of the Government. There is a lot on the north side which apparently belonged to the Government. The Government held the lot that the Lockmaster's house was on. I cannot charge my mind now in reference to these lots, but this report was given at the time, and no doubt it is correct. We purchased lots on the south side and made a raceway. Have you got a plan that I made of these properties that was deposited at Isaacson's after the sale?

Q. Do you know anything about the plan that you got from the auctioneer at that time? A. I do not recollect that plan. This, I see, is a presumed copy of it, but I have no recollection of it. If you have the deed of partition made after the sale, I might recollect it. In fact I remember that the original land lots were laid down on that plan. (Shown large plan.) I remember this plan. There is the red line which is supposed to be the Government property on the north bank of the canal. On the south side the red line is the Government line. (Shown small plan.)

By Mr Pringle :

Q. The small plan is the same thing, only before the sale. The large one is the division after the sale? A. The large plan is the plan that I made after the sale. You have got more land belonging to the Government shown on the small plan before the sale than on that made after the sale.

By Mr. Kennedy :

Q. In your account of 5th February you have charged for plotting and making plans of lands laid out at St. Gabriel and Lachine Canal. What plans were those? A. I presume it was the small plan I was shown first. I presume that this at that time was considered correct. We had all the boundaries, and we knew at that time thoroughly what belonged to each.

By Mr. Pringle :

Q. We want to know about the different lots that were laid out on the plan in the first place, for the auctioneer's guidance? A. Who were they made by?

Q. Samuel Koefer? A. I remember that they were sent down under his direction.

By Mr. Kennedy :

Q. Look at this Mr. Ostell (shown document); here is a list of hydraulic privileges suitable for docks, &c., at Lachine Canal, and so on? A. Yes; that is all clear enough.

Q. That speaks of having been sold in lots, and the sizes of them are mentioned. Now, here is a copy of your report given before the Official Arbitrators in 1863 upon this matter, between Ira Gould and the Government, in which you say: "I was present at the original sale of water-power at the St. Gabriel Locks, &c.," identical with those in Exhibit No. 2. Does not that bring to your recollection anything further about the sale and the manner in which the lots were actually sold at auction? A. No, it does not; I was under the impression that the sale was conducted without an auctioneer.

Q. Have you no recollection of being present at that sale? A. No, I do not recollect. My strong impression is that the auction did not take place, that this sale was conducted with Honorable John Young and Ira Gould with the Government themselves. (Shown Exhibit No. 2 of arbitration 1863—"List of hydraulic privileges,

with general conditions")? A. That is all well and good. This was submitted to the general public, and all understood in that way, but my recollection at present is that Mr. Young and Mr. Gould negotiated the purchase with the Government.

By Mr. Pringle :

Q. After the sale? A. No, not after the sale.

By Mr. Pringle :

Q. Just read the deed over further? A. That is all the conditions, but my recollection is that, after all these conditions had been published, St. Gabriel water-powers were negotiated by the Government and were granted to the Honorable John Young and Ira Gould. I may or may not be incorrect. I cannot pretend to say after thirty-six years.

Q. You mentioned, in 1863, that you were at the sale? A. The lots generally were sold by auction. I did not speak of these particular lots.

By Mr. Kennedy :

Q. You say you were present at a sale, and Mr. Young says he remembers being present at the sale? A. That has gone out of my recollection altogether.

Q. In your account you mention attending sale? A. I do not remember the sale.

Q. Do you remember anything further about the matter? A. I remember discussing the question with Messrs. Young and Gould, and remember that they acquired the lots, but I do not remember that it was at the sale. I do not remember how the sale took place, whether on the spot or in an office. I do not think it would be on the spot.

By Mr. Pringle :

Q. Did you know that the island was sold at the time of the auction? A. No I do not remember; but the island is included in the lots.

Q. According to Mr. Cantin's evidence, he applied for the island after the sale, he says he attended the sale? A. The large plan made after the sale shows the island. If I recollect rightly, Mr. Cantin did not wish to get the island above. The lower island we always had in our original purchase and was always treated as the property of the lessees.

Q. That was part of your portion of it? A. Yes, that was part of my portion, No. 1.

By Mr. Parent :

Q. Is the large plan exhibited here the first plan you made in connection with the sale? A. No, I made previous plans; the small colored plan is previous to the large colored plan. The small plan was made for attaching to the lease. We had made plans of these properties before that.

By Mr. Pringle :

Q. Do you know where any of these plans are? A. Mr. Perrault has all my plans and it is probable he has the plans made previous to those. I think you will find some of them charged in that account.

Q. Do you know what was sold to Gould and Dewitt? A. Gould and Dewitt bought another property in the vicinity of St. Gabriel Locks, with exception of the reserve.

Q. That was twenty runs of stones? A. I believe it was the surplus water. We understood the surplus water to be all that we could get.

Q. Was it in accordance with Mr. Keefer's report? A. I am not aware that it was twenty runs of stones.

Q. That is all that was advertised for the sale, and it was mentioned in the lease—twenty runs of stones. According to Mr. Keefer's report, there was only

twenty-eight runs of stones of surplus water at that time. (Shown letter.) This is dated on the 21st December, 1850, before the sale? A. Where is the lease? What is the statement regarding the water power there?

Q. We want to get behind the lease? A. But you are not beating about the bush when you have the lease.

Q. We want to find out all the information from the first? A. But all this extraneous matter, reports, &c., was superseded by the lease itself.

By Mr. Kennedy :

Q. It seems you had a great deal to do with the preparation of plans, and acted with the auctioneer apparently; have you any recollection of these conditions? A. I recollect very well having assisted Mr. Keefer, Mr. Barnard, I think, was merely named auctioneer. Mr. Keefer was the principal party in it.

Q. Have you any idea that you have copies of the conditions that were prepared at the time? A. The plans were recorded and kept in my office, and I think we could probably get some plans bearing on the matter, but so far as documents are concerned I do not think they will be found. I left everything connected with my professional business with Mr. Perrault, and he has got the plans, but I do not know if he has the report book.

By Mr. Pringle :

Q. We want to get all the information from first to last, from the time that No. 2 Basin lots were sold up to St. Paul lots? A. So far as anything else beyond St. Gabriel I have no recollection of having anything to do with it.

Q. We want all the information outside of the lease—the lease will speak for itself? A. I had a good deal of conversation with Proctor, and I think some professional work, with regard to it, but it did not occupy my mind. We made a speculation by taking it up and making a tail-race to bring it into value.

Q. You do not say what you thought the surplus water was? A. The impression on my mind was that it was all the surplus water available at that time.

Q. According to Mr. Keefer's report, that was 28 runs of stones? A. I have no recollection of this report from him. I do not know that I have ever seen his report previous to this, and certainly we had no idea that we were limited in the supply of surplus water at that time.

Q. Have you any idea of how much you supposed there was at that time? A. We made a division equal to 92 powers.

Q. Do you mean runs of stones? A. Yes, I mean mill powers; ten horse powers was always considered a run of stones, at that time, by Mr. Keefer and parties connected with it.

Q. That is a big jump, from 28 to 92? A. Yes, that is a large jump. There was a question after the lease whether there would be the quantity of water we were intending to take.

Q. There is no doubt the water was not there for that number? A. We have been using that number throughout, and that has not failed us. The canal has made it so much more certain in the supply.

Q. You do not remember the date of the lease? A. In 1851, in May, I think.

Q. I see in your account you charge, on the 26th and 27th February, for the plans; it must have been some time after that that the lease was made? A. You have got the lease there, it will tell you. On the 27th February it was proposed to be leased, it must have been after that time.

Q. The date of the plan is the date of the lease? A. That is 14th February, 1851.

Q. It must have been after that that the lease was closed? A. I presume so, but the lease has its own date, Mr. Jobin was living at Ste. Geneviève at that time,

By Mr. Kennedy :

Q. You think then, from the different dates, that the plan was not attached at the beginning? A. I could not say that. I do not recollect the reason for the difference of dates. Mr. Jobin lived at Ste. Geneviève, and there may have been some delay before the plan was finally annexed.

By Mr. Parent :

Q. You do not know that you could lay your hands on the original plan? A. I could not say without looking. You mean the plan of the lots laid out?

Q. Yes, before the sale? A. There must have been a plan made out in anticipation of the sale.

Q. It is mentioned in a letter to you, saying you would get the plan from the auctioneer? A. I can look for that plan and it is possible I may find it, as these plans have been very carefully kept.

By Mr. Pringle :

Q. You made a plan divided out in lots? A. Yes, I must have made such a plan. I made a good many plans. The plan mentioned as being given by the auctioneer, must have been sent down by the Department. That plan must have been made from my original plan in some way.

Q. Do you know anything about this appendix attached to the conditions of sale. (Shown Conditions of Sale, &c.)? A. I have no direct knowledge of this, but I am aware of the purport of it. I remember that the forty feet road was carried out by the opening of St. Patrick Street.

Q. You did not have that when you were preparing the plans and conditions? A. No, I remember after we had acquired the property, that such were the conditions; that the water should be allowed to pass, whether the mills were running or not, so as not to create a stoppage or overflow of the upper reach.

Q. You do not remember Mr. Bourret coming down to attend the sale? A. I think it very likely that he was down. Mr. Bourret took an active interest in all matters connected with the Department at that time, and I think he may have possibly been down.

Q. Mr. Bernard, he was at the sale? A. It is very possible, but I can't recollect. If Mr. Bernard had anything to do with it, it was simply in the capacity of an auctioneer.

Q. The plan that we were inquiring about,—you were to get it from him and return it to him again? A. It is possible that I may have got it, but I do not recollect now, I will look through the plans at the office, and if there are any I will give them to you. None of these plans were in the nature of *procès verbaux*. None of these plans had an official character; they were simply plans made for the moment.

Q. Do you remember what was paid for the land you acquired for hydraulic purposes at that time? A. I cannot say.

Q. Do you know what it is worth now? A. They vary in price according to the locality. They vary, I should say, from 75 cents to \$1 a foot. I speak of lands belonging to the mills or in the vicinity. I, myself, paid \$1 a foot for some of it.

Q. There was some sold at considerably less? A. Shearer, I think, paid 30 cents.

Q. I think it was less for that property behind the Dewitt property. Shearer bought along St. Patrick street and along the Canal I think for 23 cents? A. I think he told me it was something near 30 cents. He had no water power on it, he merely bought it for a piling ground. On the line of Seigneur street I bought a piece for which I paid \$1 a foot.

Q. Do you know what has been the highest price paid for water between the sub-lessees? A. No, I do not. They talk of \$150 to \$200 per run of stones.

Q. Two hundred dollars per power; that is the original, is it not? A. I speak of now. If I want to sell a run of stones now I could get that amount—that is about \$1 an inch—150 inches is stipulated as a run of stones I think in the lease.

Q. Did you never hear what the water-power at the No. 2 Basin was; the number of cubic feet per run of stones? A. It is my impression that the stipulation was the same (shown plan).

Q. Did you not understand that when the wall was built these powers were to be fed over a weir in summer and through the gates in winter? A. I never heard of that. They were to be taken at whatever head a tenant deemed advisable.

Q. The tenant had nothing to do with the Government wall? A. But at the same time, the water was let in at the low level in summer.

Q. It was to be let in at the gates in winter? A. But this is not carried out, I never heard of this before. The Government put in the wall and left the orifice, and left the wall at low level.

Q. They are all fixed in this way? A. But there are no gates there.
This closed the evidence.

(Signed) GEORGE SMART.
Stenographer.

APPENDIX No. 37.

EVIDENCE GIVEN BEFORE THE ROYAL COMMISSION APPOINTED TO ENQUIRE INTO THE LEASING OF WATER-POWER ON LACHINE CANAL.

Present:

Etienne H. Parent, Esq., C. E., Chairman,
Thomas Pringle, Esq., M. E., Commissioner,
John Kennedy, Esq., C. E., Commissioner, and
Robert Douglas, Esq., C. E., Secretary.

On this second day of March, eighteen hundred and eighty-seven, personally came and appeared: Augustin Cantin, of the City of Montreal, shipbuilder, who, having been duly sworn, deposed as follows:—

By Mr. Pringle:

Q. Were you at the sale of Tate's dry dock? A. I was there, yes.

Q. Was there anything else sold that day? A. No, not that I am aware of; just the land and the water-power included in it.

Q. Do you remember whether the St. Gabriel Lock powers were advertised at the same time, to be sold the same day? A. It was advertised. I cannot remember whether it was sold or not, but so far as I can remember I think it was to be sold the same day and it was put off.

Q. It was not sold that day? A. No.

Q. Do you know how long after it was? A. Shortly after; two or three days after.

Q. You were not at the sale at St. Gabriel Locks? A. Yes, I was there.

Q. Was it sold in lots or *en bloc*? A. *En bloc*. There was one bid for the one block.

Q. Was there any mention of the number of lots? A. I don't mind if there was any more than saying it was for the power of twenty runs of stones.

Q. Was there any mention of the land sold? A. The land belonging to the Government on each side of the canal, it was sold along with it,

Q. Was it opposite the locks, or was there any length up and down. A. It was not mentioned how far it extended to my knowledge.

Q. Was the island sold? A. No.

Q. It was not mentioned at the sale? A. No.

Q. That is what they call the St. Gabriel Island? A. Yes; it got to be called McGanvren's Island.

Q. And you don't remember that there was any number of lots mentioned? A. I did not catch all, but to the best of my knowledge there was no mention of lots. It was the water-power with the bank of the canal and twenty runs of stone.

Q. Did the auctioneer put it up in that way? A. Yes.

Q. Do you remember the conditions of the sale being read? A. I don't remember if the conditions of the sale were read.

Q. Do you know if the parties that were there had the conditions written out? A. I could not say. Only the auctioneer called out what he was going to sell; the water-power with the canal bank.

Q. Where did the sale take place? A. On the ground.

Q. Do you know who were there? A. I cannot remember who were there, except the auctioneer.

Q. Who was the auctioneer? A. Mr. Bernard. Mr. Gould was there.

Q. Was Mr. Young there? A. Well, I could not say; I don't remember whether he was there or not. Mr. Bourret, of the Public Works Department, was there.

Q. Was Mr. Keefer there? A. That is more than I can say; I know he was at the sale at Tate's dock, because we had a conversation together.

Q. You don't think he was at the St. Gabriel sale? A. No, I don't remember.

Q. Do you remember that Mr. Ostell was there? A. Yes.

Q. You are positive Mr. Ostell was there? A. Yes, I am positive Mr. Ostell was there.

Q. You don't remember any one else that was there? A. No, I don't remember any one else. There were only a few there.

Q. Were there many bids? A. No, there were not many bids.

Q. Was it put up at an upset price? A. I could not say whether it was put at an upset price or not, but I know there were not many bids. I don't think there were half a dozen bids on it. I think there were only three or four bids. It was done in a very short time.

Q. Did you apply for the island after the sale? A. After the sale I asked Mr. Bourret if the island was going to be sold immediately, as I thought it was to be a separate thing, as I wanted the island.

Q. What answer did he give you? A. The answer I got was that he did not know exactly whether it was included in the same sale or not; he could not tell whether it was included or not in the twenty runs of stones.

Q. And did you make any enquiries after that? A. No. I found out later on that it was all sold in the one; it went with the others.

Q. It was thrown in? A. Yes.

Q. Do you remember what they paid for the island they bought from the Seminary? A. Two hundred pounds an arpent.

Q. Was that on the north side? A. Yes. There was some eighteen arpents there. The way I came to know it, I was not at the sale, but I made application to the Seminary to buy that piece of land, and I was told and I knew it could not be sold by private sale, but Mr. Lecompte, he told me if I would make an offer in writing they would bring it to sale, but he said: "Don't make it for less than two hundred pounds an arpent, because we won't sell it for less, but say two hundred pounds and take your chance at the sale." Well, I gave them the offer, and a good while after it came to sale. Well, before this sale took place for the water power, Mr. Gould found that I wanted the piece of land, and that I had made application to bring it to sale, and he spoke to me about it, and I said: "Well, since you have got that power I know you want the land, and there is no use of my going against you, but if you give me so much of it," and I showed him what I wanted. By that

time they had decided how much power they would give for the run of stones, so I said: "So much power, I think twelve hundred inches," and it was agreed upon, and I was to get that piece of land at the same price as it was sold at. So I did buy it for two hundred pounds an arpent, and that is what I had to pay for my part.

Q. And you got the water-power? A. Yes.

Q. How much water? A. Twelve hundred inches.

Q. And how much did you have to pay for that? A. Eighty pounds for six hundred inches. I believe the rest was sold for one hundred pounds, for the same amount of water.

Q. That was with the land? A. Yes.

Q. And this was without land? Yes.

Q. What did you pay for the other six hundred inches? A. I bought the twelve hundred inches at the same price, at eighty pounds for each power, six hundred inches was called a power, and I took two at eighty pounds a piece.

Q. Then do you pay rent, to Mr. McDougall now? A. Yes.

Q. How much do you pay? A. The same, eighty pounds for six hundred inches. I sold six hundred inches to Redmond & Brothers with a piece of land, part of that land I got off the Seminary land. I sold a part of the lot to Redmond, and six hundred inches.

Q. Then that land that you sold was that freehold that was sold out? A. Yes.

Q. That is the property that Mr. McDougall holds now? A. Yes. Later on I bought from Mr. Gould twelve hundred inches of water that he had for sale on the opposite side of the canal, on the south side of the canal, I bought twelve hundred inches from him with two hundred feet front.

Q. What property was that; is that the Green and DeWitt property? A. Yes; I sold the whole of it. I sold the whole of the land, with half of the water, and I use half the water on my own side.

Q. You sold all of the land and half the water to Green and DeWitt? A. Yes.

Q. And you hold the other half of the water on your own side of the canal? A. Yes; and when the question came to get the water on the south side I could not get it, I was prevented. So Mr. Gould had to discharge me of the whole and take it on his hands, and settle it the best way he could.

Q. Then you leased six hundred inches to Mr. Redmond? A. Part of the first twelve hundred.

Q. These six hundred from Green make up the twelve hundred you use now? A. Yes; I found, after I sold that, that I was short, so I was obliged to buy, and pay one hundred pounds a year, that is to say, two hundred pounds for twelve hundred inches to Mr. Gould.

Q. Did Mr. Keefer say anything to you about buying Tate's dock? A. Yes; he thought I would have bought that.

Q. Did he discourage you from buying the St. Gabriel Island? A. No; there was no question about St. Gabriel place at all.

Q. Did he advise you to buy the Tate place? A. He said I ought to buy Tate's. He said: "If you have the two it will be a good deal better," so I made the remark to him: "What I am doing for my customers is very low, too low, and I am satisfied when there is another one in the place they will find a difference, and they will never get their work done so cheap as I have done it," and it turned out to be so. Mr. Tate made his charges higher than mine a good deal, and Mr. Keefer thought of that. "Well," he said, "there is something in that, too;" and I said: "If I have the two I cannot satisfy the customers, they will always be grumbling."

Q. Did you tell Mr. Keefer you wanted the island before? A. No; I don't remember that I said anything about the island to Mr. Keefer.

Q. It was only to Mr. Bourret? A. Yes; after the adjudgment of the water-power on the canal banks.

Q. Was Mr. Shearer there at that sale, or about there, do you remember, at that time? A. I don't think. It was a good while ago.

Q. When that sale was going, did you expect to get the island? A. Well, I

was there for that, waiting until the Island was sold. If I had known it was to be sold altogether, I would have been inclined to put in for the whole of it.

Q. If it had been mentioned at the sale, you would have been inclined to have put in for the whole of it? A. Yes.

Q. But it was not mentioned? A. There was not a word said about the island.

Q. Do you know if it had been mentioned in the condition of sales? A. I don't know. I wanted the island.

Q. For that reason you did not bid on the other? A. Exactly; because I expected it was going to be sold separately.

Q. Do you remember what was advertised to be sold? A. No, I don't remember the advertisement at all.

Q. You don't remember whether it was advertised to be sold in single lots? A. I don't mind the advertisement at all, I don't remember how I got there, except at the sale of Tate's dock, It must have been there where I got the information when the other was going to be sold.

Q. Don't you remember of any bills being stuck up advertising the sale? A. No, there might have been some, but I don't remember.

Q. Do you know the reason why it was not sold the first day? A. No, I could not say. I cannot say why it was changed?

Q. Do you know the price paid? A. Yes. Four hundred and twenty pounds.

Q. Was it put up at four hundred pounds and then advanced to four hundred and twenty pounds? A. It was not put up as high as that at first. There was more than one bid, there were three or four bids.

Q. Do you remember who bid? A. No.

Q. Was it considered a very cheap property then at that price? A. Yes.

Q. Do you know anything about what the impression was after the sale, whether there was any one disappointed at it not being sold by single lots? A. No. I don't remember, I did not stay there.

Q. But two or three days after the sale? A. No. I don't remember of hearing any remarks about it.

Q. You don't know of any one who wanted to buy part of it? A. No.

Q. The sale being put off would keep people away? A. Very likely, I don't think it was publicly known.

Q. Then you got your impression of the sale from Mr. Keefer at the sale of Tate's dry dock? A. Yes, when it was going to be sold, somewhere there at Tate's sale, I don't know whether it was Mr. Keefer or some one else. It was at Tate's sale, because Charles Phillips was there and he wanted me to go in for Tate's sale, but he was not at the other sale.

Q. Was Tate's sale and St. Gabriel sale advertised to be at the same time? A. Yes, I think it was advertised for the same day.

Q. And Tate's was sold? A. Yes, and the other was put off.

Q. Was there any announcement at Tate's sale of the postponement of the St. Gabriel sale? A. No, I did not notice any announcement to postpone, it might have been done but I would not know. At a sale I am not very sharp, I never was. It was sold that way.

Q. How long was it after the sale that you found out that they claimed more water than twenty runs? A. Because they kept selling all the time.

Q. There was no particular time? A. No; they kept selling to whoever wanted it, on application they sold; and I remember Mr. Gould was stopped from selling any more, in fact he was stopped with that lot I bought from him.

Q. How did they prevent that? A. By preventing them putting in flumes. First of all he wanted to put in the ordinary flume, and later on Mr. Gould got a big cast iron pipe to put through the bank, and he was stopped by the canal superintendent. He thought there had been flumes badly built in the canal and that was the reason he had been stopped putting any more in there, so he thought if he got a big cast iron pipe there would be no danger of that giving way, and he was prevented while he was there with men and all.

Q. Do you remember making an agreement with Mr. Ostell and Mr. Bourret about some power in October, 1851, about six months after the sale? A. No.

Q. Did Mr. Ostell make an agreement between you and Mr. Bourret about October, 1851. That would be about five or six months after the sale? A. No; these things were done very quietly.

Q. Do you remember making an agreement with Bourret and Ostell to get some water for dock purposes? A. Oh! no. We made an agreement with Mr. Gilbert down at the lower reach to use some water there for dock purposes and sent it into the sewer right to the river.

Q. And you bought that from Mr. Gilbert? A. Yes.

Q. How much water was it? Well, it was looked upon as the same quantity, as they had a right for, one run of stone.

Q. And you paid Gilbert for that? A. Yes, I don't remember whether it was Gilbert and Barclay, or Mr. Gilbert alone. It was with Mr. Gilbert I dealt with. Then that was ratified in Quebec by the Commissioners of the Public Department, that one run of stone that I bought.

Q. What size water wheels are you using? A. I am using one "Leffel," and one "Hercules," my Leffel is seventy two inches, and the Hercules I cannot tell you, but I think it is sixty horse power it is called or something like that. It is a small wheel.

Q. You don't remember the size? A. No, I could get you the size.

Q. Your Leffel wheel drives your saw mill? A. Yes.

Q. And the Hercules? A. It drives the woollen mill. I have not enough power. The Leffel can only drive one saw.

Q. Has the Hercules power enough? A. It has enough power for the factory, yes.

Q. Before you put in the Hercules, did you drive them both off the Leffel? A. Yes, but we had not power enough for either.

Q. Do you know what height of water you have? A. It is about 8 feet, not more than that. I don't know if there is that. The tail-race is so small there is a good deal of back water. I don't think we get eight feet.

Q. Can you give us any idea of the value of land there per foot that is used for water-powers, yours or the others, that is used direct with the water-power, apart from the lease freehold? A. Yes, the land is pretty valuable there on account of that water-power. I should think it would not be worth less than \$1 a foot.

Q. That is, what is used in connection with the water-power. A. Yes.

Q. What would it be worth without the water-power, if there was no water-power? A. I suppose it would scarcely be worth half of that. From 40 to 50 cents per foot. It would scarcely be worth 50 cents just now.

Q. Can you give us the number of hands you employ connected with the water-power and dock? A. Well, at the saw mill I suppose there are about twelve or fifteen men altogether. It varies, sometimes thirty, and sometimes more, very often less, say thirty hands would be a fair average.

Q. And then there is your finishing shop? A. Well, the shop goes by steam power. Pretty much all I use for the dock is steam power, and connected with the dock is steam power.

Q. Do you know how many hands they use in the factory? A. They have not used many hands. I suppose they have got there not over twenty altogether.

Q. Is that the woollen factory? A. Yes. They manufacture linings for ropes, and things of that sort. First of all it was to be a sealette manufactory, but it is more than that anything else.

Q. Have you any suggestions to make, or grievances of any kind, or any information you can give us? A. No, for my part I never like to complain. I made an application some years ago—a few years ago—for more water-power for working machinery for iron vessel building, and if I had got sufficient power for that I could have built those vessels and employed very many men. I see in the west they are building a great many this year.

Q. How much water-power would you want for that? A. It would take 1,200 inches for that alone; 1,200 inches might be a little more than would be necessary, but you would want a good deal of power for the punches, shears, rivetting machines, drills, plainers and rollers, &c.

By Mr. Parent :

Q. So you think of using steam there? A. I have a small engine, but I find it too expensive to do that work.

By Mr. Pringle :

Q. What would you consider the value of water-power per run of stone, that is, measuring the run of stone the same as you have it now. A. Well, I think \$1 an inch would be a good price.

Q. That would be \$600 for the four runs? A. Yes, that would be 50 per cent. more than is paid now, yet I think it could be used at that price; more than that, I do not think it would do.

Q. Is Mr. Ostell any relation to Mr. Bourret? A. He is a brother-in-law.

Q. Was Mr. Ostell supposed to be connected with the company at the time of the sale? A. Yes. There was not much known about the sale.

Q. Was it Mr. Ostell, do you suppose, that arranged the sale? A. I could not say.

Q. Was it Mr. Ostell that surveyed the laying out of the land? A. It was Mr. Ostell who employed Mr. Perrault, and it was him who surveyed the tail-race, and whatever surveys had to be done there.

Q. But still, it was Mr. Ostell that looked after it, and that had control of it? A. Yes.

Q. He was employed by the Government to lay out those lots? A. I don't know about the lots, of course they must have been laid out at some time, but the only thing I took notice of was the laying out of the tail-race.

Q. That was after the sale? A. Yes.

Q. You don't remember anything before the sale? A. No, only what I have said.

Q. Mr. Ostell was a Government officer, was he not, at the time of the sale? A. I don't know if he was.

Q. Was he not an engineer employed by the Government? A. That is more than I can say.

Q. He was employed by the Government to do some surveying, was he not? A. Yes. I think so.

And further deponent saith not.

(Signed)

WM. McGOUN,
Stenographer.