

REPORT OF SELECT COMMITTEE

—RE—

TENDERS FOR CHIMNEY CREEK BRIDGE CABLE.

To the Speaker of the Legislative Assembly of the Province of British Columbia :

SIR,—We, your Select Committee appointed to inquire into all matters connected with the granting of a contract to supply wire cable for Chimney Creek bridge, beg leave to report as follows :—

1. That Mr. Wells, Chief Commissioner of Lands and Works, was absent from his Department from the 24th October till early in December, 1902.

2. That Colonel Prior was acting Chief Commissioner in his absence.

3. That previous to Mr. Wells' departure, certain firms suggested by Mr. Waddell were communicated with, asking for bids for wire cable to be used in construction of Chimney Creek bridge. These bids were received from time to time, and not being endorsed on the envelope as tenders, were opened and treated as ordinary communications. In all, quotations were received from four firms, as follows :—

October 3rd.—Dominion Wire Rope Company, Montreal, \$5,917.

October 4th.—Dominion Wire Rope Company, Montreal, \$5,581.

October 6th.—Darling & Company, Vancouver, \$3,881.

November 8th.—Darling & Company, Vancouver, \$3,450.

September 30th.—W. A. McLennan & Company, Vancouver, \$5,225.

October 27th.—A. Leschen & Sons, St. Louis, \$3,380.

4. A schedule, summarising the above tenders, was submitted to the acting Chief Commissioner by Mr. Gamble on November 12th, 1902, who asked for instruction as to the awarding of the contract.

5. The acting Chief Commissioner wished to know why the firm of E. G. Prior & Company, Limited, had not been asked to make a quotation.

6. The acting Commissioner instructed Mr. Gamble to hold the matter in abeyance until the firm of E. G. Prior & Company, Limited, were given an opportunity to bid, in consequence of which the firm of E. G. Prior & Company, Limited, sent in a bid on December 6th of \$3,216.39, being \$170 less than any of the former quotations.

7. The firm of E. G. Prior & Company, Limited, were notified on the 12th December of the acceptance of their bid.

8. The condition attached to the firms first requested to send quotations was that the wire cable should be delivered not later than March 30th, 1903, at Ashcroft, in order to ensure transportation before the breaking up of the roads. No guarantee was given by E. G. Prior & Company, Limited, although they promised to endeavour to make delivery as near as possible to that date.

9. The firm of E. G. Prior & Company, Limited, was so incorporated in 1891, with Colonel Prior holding a controlling interest in that firm.

10. The acting Chief Commissioner, on the 15th of November, requested Mr. Gamble to send to his office, in the Department of Mines, the papers in connection with bids for wire cable, and as Mr. Gamble was going away he (Mr. Gamble) wrote to his draughtsman, Mr. Cookson, to take those papers to Colonel Prior, which Mr. Cookson did about the 17th November, 1902.

11. There is a conflict of testimony on the following points :—

(a.) Mr. Cookson swore that the only document he took to Colonel Prior after getting Mr. Gamble's letter was the schedule of tenders that Mr. Gamble had first placed before Colonel Prior.

(b.) Colonel Prior swore that specifications for the cable accompanied the schedule handed him by Mr. Cookson, and that he showed only such specifications to Mr. Schwengers, an employee of E. G. Prior & Company, Limited, who was looking after the tendering for the wire cable for such Company. Mr. Schwengers also swore that he saw only the specifications in Colonel Prior's office.

(c.) Mr. Gamble, on the other hand, swore that he instructed Mr. Cookson by note to send all the papers to Colonel Prior.

12. Colonel Prior swore that he had never communicated the other firms' bids to any member or employee of E. G. Prior & Company, Limited, which was corroborated by Messrs. Wynne, Schwengers and Mathews, members and employees of such Company; nor had he, Colonel Prior, assisted in any way in preparing the firm's bid; nor had he allowed any employee or member of his Company to have access to the said schedule of tenders.

All of which is respectfully submitted.

Dated the 29th day of May, A. D. 1903.

RICHARD HALL,
Chairman.

PROCEEDINGS AND EVIDENCE.

LEGISLATIVE BUILDING, VICTORIA, B. C.,
28th May, 1903, 8:30 P. M.

Inquiry ordered by the Government of British Columbia to inquire into charge preferred against Colonel the Honourable E. G. Prior, Premier, alleging that the firm of E. G. Prior & Co., Ltd. Liability (of which the Hon. Col. Prior is a member), tendered for a contract for the cable for Chimney Creek Bridge after the other tenders were put in and their figures known, the firm of E. G. Prior & Co., Ltd. Liability, then making a lower offer.

The following members of the House were appointed by the Government of British Columbia to inquire into the above charge, viz.:—Messrs. Hall, Helmcken and Hayward, acting on behalf of the Government, and Messrs. Curtis and Tatlow on behalf of the Opposition.

Upon opening the inquiry, Mr. Richard Hall was appointed to act as Chairman, and Mr. Hayward as Secretary.

Mrs. E. Blygh was duly sworn as stenographer of the inquiry.

Mr. Smith Curtis: Before opening the inquiry I wish to say a few words. On account of my deafness, I would like to have the assistance of someone who would be able to hear well, and I have asked Mr. Powell to come over here, with a view to having him do the questioning and generally looking after the case. Having laid this charge before the House, I desired, as I thought other members should desire, that the matter should be investigated, and I am in that sense the father of the resolution. It was against my will that I was put on this Committee. I did not think I ought to be put on it, on account of my deafness, and for these reasons, I think, it will be a great deal better for someone else to do the questioning. If there is any objection as to the counsel being feed by this Government, or any objection taken, I would rather be responsible for it myself than do without that assistance.

Mr. Chairman: In the first place, we have no authority to engage counsel. We have two lawyers on the case now.

Mr. Curtis: If someone independent of the inquiry were to ask these questions I would not take much part myself at all, and in that way I would like to have Mr. Powell's assistance.

Mr. Helmcken: Let the examination go on and see how it goes on.

Mr. Curtis: In that way I will have to take charge of the calling of the witnesses, seeing I brought the charge. However, I hope that there will be no objection for Mr. Powell to sit beside me, as long as he does not take part in the Committee.

Mr. Chairman: I object to more lawyers being on the case. It seems to me that it is nothing more or less than a matter of fact case.

Mr. WELLS, having been duly called by Mr. Curtis as witness, and sworn, testifies as follows:—

Mr. Curtis: You were the Chief Commissioner of Land and Works in the Government of British Columbia last year and until recently? A.—Yes, sir.

Q.—Were you absent from your office during last September? A.—Not in September. I did not leave until the latter part of October. I left on the 24th October and did not return until the middle of December.

Q.—Who was acting Chief Commissioner of Lands and Works during your absence? A.—The Premier—no, Colonel Prior, Minister of Mines.

Q.—Had you, before leaving for the East, given any orders with regard to a cable contract for Chimney Creek Bridge, or for supplies for it—wire rope, or something of that sort? A.—No, there was no order given for any.

Mr. Helmcken (interrupting): I would rather the witness make a statement of his own, rather than being led. Let him tell his own story.

Mr. Curtis: At any rate, you know the charge which has been made in the "Times" newspaper, and as recited in the motion by me? A.—Yes, I heard it.

Hon. Mr. Wells—*Concluded.*

Q.—Tell us what you know about it. A.—The contracts, in some instances, instead of calling for tenders in the formal manner, we communicate with firms who are dealing in the particular article that we require, and in this present case, as I remember anything about it, certain firms were communicated with, and asking them to give us their prices for a cable required for the Chimney Creek Bridge. I don't remember of any answers to those letters while I was here, and, as a matter of fact, I don't think there were any replies. Upon my return there were some letters, or offers, or tenders—whatever you may call them—submitted to myself, giving the prices at which this cable would be supplied. I think these letters were accompanied with a schedule, which would be supplied from the Department, and it was pointed out to me that the offer or tender coming from the firm of E. G. Prior & Company was the lowest, and my instructions, therefore, were that this offer or tender should be accepted. I believe there were some conditions attached with regard to the delivery, of which I have no distinct recollection. That is about all that I can say in making a voluntary statement.

Q.—When you sent out letters asking for offers, did you consider, or was it the practice in your Department to consider, the answers made by firms the same as if they were tenders? A.—Well, it was a summary or informal way of asking what would be, I suppose, practically, tenders. For an article of that kind there would be very few firms, at any rate, with whom we would treat or ask to give prices, so that the proper way in dealing with it would be by simply writing letters. At least, it would be a more summary method of dealing with it.

Q.—To whom are these answers by firms to be addressed? A.—Well, I really cannot tell you over whose signature those letters were written.

Q.—I did not mean that? A.—It would depend upon that how the answers were addressed. If they were signed by myself, they would be addressed to me; if by the Chief Engineer of Public Works, they would be addressed to him. In this instance I cannot tell you about that.

Q.—Where the answers are addressed to Mr. Gamble, Chief Commissioner of Public Works, are they opened by him as soon as received? A.—Oh, yes—should be.

Q.—And what has been the practice with regard to Mr. Gamble laying those offers before you, or tenders, from time to time? A.—Well, he would bring them into myself after he had received replies to his communications.

Q.—Would these communications of his require that the answer should be in by a distinct date? A.—Not necessarily.

Mr. Helmcken: If there is a letter, the letter would speak for itself, or the letters, whatever they might be.

Mr. Curtis: I just wanted to see if there was a practice about this. I just wanted to find out.

Mr. Hayward: Did I understand, Mr. Wells, that these letters or tenders are opened day by day as they come in, or three or four days apart, and brought in to you? A.—I don't think there is any specified time.

Q.—When they are received they are brought in to you? A.—No, when they are all received—all that would be expected—that is, the replies from those whom the communications were sent to, then the letters would be brought in to myself.

Q.—Do you know whether the tenders in this particular case were submitted to Colonel Prior, as acting Chief Commissioner of Lands and Works during your absence, or not, for this cable for Chimney Creek Bridge? A.—I can't tell you from any actual knowledge that I have of that.

Mr. Curtis: Is this the correspondence in connection with it? If I could have seen that before we went on, perhaps we could shorten the matter a good deal.

Captain Tatlow: I understand you to say it would be the practice in such a case as this that these tenders, being received by Mr. Gamble, they would be kept by Mr. Gamble and opened by him and kept until such time as he had received all he had expected to receive, and then he would lay them all before you? A.—Yes.

Witness stands aside.

MR. GAMBLE, a witness called by Mr. Curtis, having been duly called and sworn, testified as follows:—

Mr. Curtis: You are Chief Engineer of the Lands and Works Department? A.—I am not called that; I am Public Works Engineer.

Mr. Gamble—*Continued.*

Q.—You were such during last year as well as this year? A.—Yes.

Q.—Now, with regard to this matter which is being investigated by this Committee, you have certain correspondence? A.—Yes.

Q.—Can you tell us when you sent out the different letters to various firms asking them to tender for the supply—was it a cable? A.—A wire cable for suspension bridge.

Q.—For this wire cable for Chimney Creek Bridge? A.—I can find it here for you.

Q.—Just find it. A.—We called for tenders about the 9th September, 1902.

Q.—Do you know how many firms, or about how many firms, were written to at that time? A.—There were four.

Q.—Was the firm of E. G. Prior, Ltd., or Limited Liability—the firm of E. G. Prior, Limited Liability—asked to tender at that time? A.—No,

Q.—At what time did you get answers from those four firms? You might give us the names of the firms and the amount of each tender? A.—The firms who sent in quotations for this wire cable were the Dominion [Wire Rope Company, of Montreal; Frank Darling—

Q. (Interrupting)—You might mention the amount of each tender as you go along—the Dominion Wire Rope Company? A.—The Dominion Wire Rope Company, 5,581.

Q.—Dollars? A.—Yes.

Mr. Helmcken: What date? A.—They first made a big one and then a little one. The first quotation they made was \$5,917.31½; the next one was \$5,581.23¼.

Mr. Helmcken: Rather particular about the half-cent. A.—McLennan, of Vancouver, representative for W. B. Brown & Co., of Liverpool, sent in a tender of \$5,225; Frank Darling, who represented Roebing & Co., the celebrated wire rope people, first put in a bid of \$3,881 on October 6th.

Q.—That is the first? A.—And he put in another one on November 8th, on his own responsibility, of \$3,450. A. Leschen & Sons' Rope Company, of St. Louis, United States, put in a tender of \$3,380.75.

Captain Tatlow: Would you give this date? A.—That one was received from Leschen & Sons on October 27th. For some reason or other the letter did not reach us for some time and they wired us.

Mr. Helmcken: What was the limit of time? A.—There was no particular time.

Captain Tatlow: When did McLennan's come in? A.—September 30th.

Q.—And the Dominion Wire Rope Company? A.—On October 3rd and 13th. The reason that McLennan's wire rope company's tender was so late received was that they did not send in the price per pound.

Q.—How did he come to put the second tender in on November 8th? A.—He supposed, I thought, that his tender was too high, and he wanted to make another, so he asked permission to put in another one, and I said he could do as he liked about it.

Q.—Now, in the letter sent to these firms, was there any date stated by which they were expected to have their tender or offer in? A.—Yes.

Q.—What date was that? A.—No; I forgot, they were asked to send it in as soon as they could, because there was a difficulty that some of them had to communicate with the Old Country.

Mr. Helmcken: The letter speaks for itself.

Witness: On September 10th I wrote to W. A. McLennan, of Vancouver, and asked him to send in his tender within two weeks of the 10th September, but it did not come in until the end of September, because, as I explained, they could not possibly get word from England, you see.

Captain Tatlow: All the others, were they the same? A.—Yes; because, you see, some had to go such a long distance and it was impossible to get them back as soon as we expected (reads letter enclosing blue prints): "There has been expressed to you to-day one complete set of blue prints of the above bridge for your guidance in making a direct quotation on the wire cables. With this letter I enclose an extract of the specifications. Be good enough to return these papers to this Department when you have figured on the drawings. Your tender is requested to be sent to this Department within two weeks from this date." And I heard informally from them all that they could not get it in—so far to go, the distance was so long—so we gave them a little margin.

Q.—Now, these tenders which you have here, these four which you refer to, some duplications and additional tenders from the same firms, when they were received by you were they

Mr. Gamble—*Continued.*

opened as soon as you got them? A.—I opened them as soon as I got them, because they had not any endorsements on the outside; at least, my clerk in the office opened them. I was probably absent and they were opened and put in the register and filed, and when I came back they were put before me; and as soon as I got them all—they generally put them all before me and then we make out a schedule like that.

Q.—What do you do after you make a schedule like that? A.—Send them to the Chief Commissioner.

Q.—Do you take them in yourself? A.—Either take them in myself or send them in.

Q.—Do you remember whether you varied that procedure? A.—Mr. Wells was away.

Q.—Did you take it in before the Acting Chief Commissioner? A.—I took it to Colonel Prior; he had this schedule before him.

Q.—What conversation took place between you and him then? A.—He asked me why E. G. Prior & Co. could not send in a tender.

Q.—Yes. What did you say? A.—Well, I said I did not think about it, and I did not think he would tender—the firm would tender.

Q.—Why didn't you think the firm would tender? A.—Well, you are asking me my opinion, now.

Q.—Well, I will put it in another way. Why didn't you, as Public Works Engineer or Chief Engineer of Public Works, send a letter to E. G. Prior & Co. in the first place, asking them to tender? A.—Because one reason was that I did not think they represented a firm who made wire rope that would suit us.

Q.—Was there any other reason? A.—Well——

Q.—Was it because Colonel Prior was the Premier of the Province, and was largely interested in that firm? A.—Colonel Prior was not Premier at that time.

Q.—Well, because he was a Minister of the Crown and was largely interested in that Company? A.—Well, yes, it was.

Q.—About what date was it that you put this schedule before Colonel Prior? A.—On November 15th.

Q.—1902? A.—1902.

Q.—What further conversation took place between you? A.—Well, really, I can't say that.

Q.—Well, I don't wish to lead you in any way; I want to know what actually occurred? A.—Well, a conversation a year ago, it would be difficult for me to say.

Q.—Were you given to understand by Colonel Prior that he desired his firm should send in a tender and that this matter should stand in abeyance until he did send in that tender? A.—Yes.

Q.—Was there any letter sent to his firm asking them to put in a tender? A.—No, not that I remember. Let me see—no, there was no letter, I think. Just wait for one moment more; no, there was no letter.

Q.—Did Colonel Prior intimate to you at that time that he thought that his firm could do better than those figures? A.—No; he said he wanted to put in a tender. I won't say those were his exact words, but something near that.

Q.—You are giving the conversation as near as you can, that is all. Upon what date subsequent to that conversation did a tender come in from his firm—that is, the firm of E. G. Prior & Co.? A.—On the 6th December.

Q.—What was the total amount of his tender, or his firm's tender? A.—\$3,210.39.

Q.—How much better is that tender than the lowest tender which you had previously received? A.—\$170.36.

Q.—His firm's tender was that much better than that other firm's tender? A.—A. Leschen & Sons' Rope Company, St. Louis, Missouri, I think it is.

Q.—How did Colonel Prior's firm get the particulars so as to be able to make that tender? A.—I can only say that Colonel Prior saw this schedule.

Mr. Helmcken: What schedule is that? A.—This one.

Mr. Curtis: You don't know of him, or any one in the employ of his Company, who saw any blue prints and the other information, which you gave by the enclosures in your letter?

A.—I think an employee of his got the specification.

Q.—Do you know the name of that employee? A.—I believe his name is Schwengers.

Q.—Do you recollect his coming to your office for that information? A.—Yes.

Mr. Gamble—*Continued.*

Q.—Subsequent to Colonel Prior acting as Chief Commissioner of Lands and Works?
A.—Yes.

Q.—After the tender of the firm of E. G. Prior & Co. came in, did you again submit all these tenders, including that of his firm, to him as Acting Chief Commissioner of Lands and Works? A.—No; by that time Mr. Wells had returned to Victoria, and on the 8th December I sent a memo. to the Chief Commissioner from Bridge River, Chimney Creek, as follows: “(1.) The accompanying schedule of quotations received for the steel wire cables required for the suspension bridge across the Fraser River in the vicinity of Chimney Creek is submitted for consideration. (2.) The tender of E. G. Prior & Co. is favourable and should be accepted without delay, so that delivery at Ashcroft may be made in time to take advantage of the winter roads. Payment to be deferred until the necessary appropriation is voted at the next Session.” The object of that was so that we could get the wire rope in there by this Spring, so as to continue the work almost immediately.

Q.—Upon what date was the firm of E. G. Prior & Co. notified that their tender had been accepted? A.—They were notified on the 12th December. Following the receipt of their tender, and following the decision of the Chief Commissioner to accept the tender of E. G. Prior & Co.; under the conditions of section (2) in the above memo.

Q.—Yes, but you haven't the copy of the letter of acceptance, have you? A.—Oh, yes.

Q.—Does it state in that letter within what time? A.—Here is the letter: “We thank you for your favour of the 13th, accepting our tender on wire rope for Chimney Creek Bridge. We will place the order in hand at once and endeavour to make delivery as near to the approximate date you name (March 31st) as possible. We enclose herewith a memo. of your order as we understand it, and if same is incorrect in any particular, kindly advise us promptly.”

Q.—That other letter is headed? A.—Fraser River, Chimney Creek.

Q.—Do you recollect that after you first put that schedule before Colonel Prior, as Acting Chief Commissioner of Lands and Works, that he sent to your office and requested that that memorandum should be sent back to him? A.—No, he never sent to my office at all.

Q.—Did he send anywhere, to your knowledge? Do you know that he saw that again subsequent to the first time you put it before him? A.—Yes.

Q.—When was it, and under what circumstances? A.—I cannot say I sent word, but I told Mr. Cookson in my office to show those letters or tenders to Colonel Prior. On that day I went away to Vancouver and Bella Coola, and I did not get back until the 2nd December.

Q.—In this memorandum which you first placed before Colonel Prior there are quotations? A.—Quotations per pound.

Q.—There are figures given showing how the prices are made up? A.—Yes.

Q.—Would these afford another tenderer information as to a basis of making a tender, and so as to enable him to make it at a little better price? A.—They speak for themselves.

Q.—I don't wish to put them in as schedule in the evidence. Would those figures that are given here enable a tenderer who saw them to make up his tender more advantageously for him; that is, in such a way as to be more advantageous to him and make his tender a little better? A.—Certainly, it is an advantage to anybody to see the figures.

Q.—Do you think that is a reason why this memorandum was sent for again by Colonel Prior? A.—I cannot answer, for the reason I am only stating facts in my own knowledge.

Q.—You know of no other reason why this schedule should be sent for again by him? A.—No.

Q.—But if he were making a tender—or his firm was making a tender—the figures that are given there would be of assistance to them, would it not? A.—Certainly.

Mr. Hayward: I would like to ask you one question with regard to your Department. You call them a tender; is it a public tender in the sense of the word? A.—Yes, we accept it as such.

Q.—At the same time, you don't give it out to the public generally? A.—No. We send away to those gentlemen or firms who are engaged in this special work, asking them to quote their prices, and these prices are submitted to the head of the Department, and the ones are accepted which he thinks fit. There was no necessity for calling for public tenders, for the people who were required to supply these ropes were well-known, reputable firms. We might have called for public tenders, and received inferior material at a low price, and it would be

Mr. Gamble—*Continued.*

difficult to inspect it. These men that I asked for tenders from, like the Dominion Wire Rope Company, and the St. Louis firm, and the others, they are well-known firms all over the world, and they supply and make this particular kind of cable.

Q.—In this particular instance a firm appears to have been overlooked, which afterwards you approve of? A.—Which firm?

Q.—The firm of E. G. Prior & Co. A.—I have already explained why I did not send one in to him, and I did not know, for one thing, that the firm of E. G. Prior & Company represented a wire rope concern. The engineer who designed this bridge, Mr. Waddell—it is a new kind of bridge—he particularly recommended to me the firm of Leschen & Company, and Roebling, and also the Dominion Wire Rope Company, and the other one, because they could give as good a materia! as could be bought, and because they could inspect their work.

Q.—Well, is it the general habit of your Department in any other matter to ask for tenders in this way? A.—Yes, in iron work specially. It would not be worth while in going to the cost of public advertisement in a great many instances in iron work, for there are only certain firms who do iron work and there would be a large expense attached to it which would not be warranted.

Mr. Curtis: When you laid this schedule with the tenders of these four firms before Colonel Prior, did you consider that the tendering was at an end, the tendering was all done, and that it simply required then the question of acceptance? A.—Yes; I went to him for his decision.

Q.—As a rule, when you send out asking tenders from firms, and these tenders were sent to you, were you in the habit to wait till all you expected to receive were in before you put them before the Chief Commissioner? A.—Always. You see the way it is done—I don't really look at them until they are all in, and then the Clerk in the office puts them before me, and I make a schedule out with a recommendation, or whatever it may be, or remarks, for the Chief Commissioner. Sometimes I go in to him with a memo. and explain the matter to him.

Q.—When tenders have come in in reply to letters, you put them to one side without going into them? A.—I never go into it until they are all in.

Q.—Just as if they were an ordinary tender and had to be in by a certain date, and they would not be opened until that date? In fact, as far as you are concerned, you have treated tenders in this way just the same as they would be if they were tenders in answer to an advertisement? A.—Exactly.

Q.—Not to be looked at or investigated until the day comes? A.—That is right—treat them all alike.

Q.—The other question I want to ask you is this, whether, to your knowledge, a clerk from the firm of E. G. Prior & Company had access to the tenders or to this schedule? A.—No, I am not aware of such a thing.

Mr. Hall: When you received this tender from the firm of E. G. Prior & Company, did you know the firm they were ordering the goods through, or whom they represented? A.—No.

Q.—Do you know to-day? A.—No.

Captain Tatlow: Then you limited your number of tenders to four in this case, because you knew the firms you applied to were reputable firms, and would be a sufficient guarantee for the goods you were going to get? A.—Yes.

Q.—But in this case of E. G. Prior & Company, you had no knowledge of what goods were going to be delivered? A.—I beg your pardon?

Q.—You limited your tenders to four because you knew, in the names of those four, you knew that you were applying to reputable firms, and their names would be a guarantee for the wire you received? A.—Yes.

Q.—But in the case of E. G. Prior & Company, you did not know what goods you would receive? A.—I did not know what firm they represented.

Q.—Well, Mr. Wells stated here just now there were certain conditions to be complied with in the case of these tenders; were those conditions identically the same in all cases? A.—The conditions of acceptance of E. G. Prior & Company's tender were according to the specifications; one thing was that they should be delivered at Ashcroft without delay, and that delivery should be made in time to take advantage of the winter roads—that, is at the end of February or March.

Q.—Would those conditions be the same as in the others? A.—Exactly.

Mr. Gamble—*Continued.*

Q.—No difference in the tenders? A.—No.

Q.—You had no knowledge of the goods you were going to receive? A.—I had no knowledge who were the manufacturers. They had not been spoken of or recommended. The three firms I have mentioned before, and this other firm from St. Louis, and the Dominion Wire Rope Company, the four firms I told you of before, were well-known firms who manufactured this rope. These were reputable firms known all over the world.

Q.—Then this firm of E. G. Prior & Company, their tender would have been such a tender as you would have received if you had advertised publicly for tenders? A.—Yes.

Mr. Helmcken: Then you only accepted it because it was \$170.36 lower than the others? A.—That is all. I didn't accept it.

Mr. Hayward: You suggested by your memo. that it should be accepted? A.—Yes; I suggested, if favourable, it should be accepted, as we were in a hurry.

Mr. Helmcken: Were these firms recommended to you by Mr. Waddell? A.—Well, I knew of the Dominion Wire Rope Company.

Q.—Where were they located? A.—In Montreal.

Q.—They have an agency here? A.—They have an agency here and in Vancouver, Mr. Charles Stimson.

Q.—These other three were recommended to you by Mr. Waddell? A.—Yes.

Q.—Did you ask him for any others? A.—No.

Q.—Why on earth didn't you put in an advertisement calling for tenders in the ordinary manner? A.—Why didn't I what?

Q.—Pursue the ordinary course and call for tenders? A.—We wanted the particular kind of rope that these people made.

Q.—You did not know anything about it, only as recommended by Mr. Waddell? A.—Yes.

Q.—He is in charge of the bridge at Westminster? A.—Yes.

Q.—Why didn't you advertise these tenders? A.—Because we knew that these were reputable firms who could supply this class of cable.

Q.—You did not know, because it was recommended to you by Mr. Waddell? A.—He is the engineer who is responsible for it.

Q.—Why wasn't this advertised as usual in the "Gazette," calling for tenders? A.—Because we don't always do so in these instances.

Q.—Have you any other instance of this kind? A.—Of iron.

Q.—This is not iron; this is a cable? Why didn't you do as I ask? A.—I have already told you why.

Q.—Will you kindly answer the question; I want to know why you didn't pursue the ordinary course of calling for tenders in these matters, instead of submitting them to the instance of Mr. Waddell? A.—Because we thought these three firms or four were reputable firms who could supply the rope we wanted.

Q.—Then the whole thing is done at Mr. Waddell's suggestion? A.—He is the engineer.

Mr. Hall: Has there been any criticism as to the goods supplied by Messrs. Prior & Company since the work is completed? A.—No.

Mr. Helmcken: Now, the Dominion Wire Rope Company, they sent in a letter in October with a tender for \$5,917, and a subsequent one for \$5,581; how did you come to allow that? A.—They did it of their own free will.

Q.—Had you any knowledge they were going to do it? A.—They asked me, and I said you can do what you please about it.

Q.—Who asked you? A.—Mr. Stimson.

Q.—Where is he? A.—In Vancouver.

Q.—Did he come down and ask you? A.—I don't know.

Q.—Is there any letter from him? Look up your correspondence and see. A.—Mr. Stimson: "I am in receipt of a letter from the Dominion Wire Rope Company and they would like to submit lower prices, as they would like to secure the order even if they don't make a cent."

Q.—That is November 14th; I thought you told us October 14th? A.—This is the only one we got. This is a letter he wrote, but he did not send in any tenders.

Captain Tatlow: He sent in two already.

Mr. Gamble—*Continued.*

Witness: October 3rd and 14th.

Mr. Helmcken: How does it come that he puts in this tender of October 14th? A.—The reason was this, that they tendered for a lump sum, and afterwards per pound. I wired them to tender it per pound.

Q.—That was in consequence of a telegram from you? A.—Yes.

Q.—Did you send that same telegram to Mr. Darling? A.—No, I saw Mr. Darling, and

Mr. Darling's tender was per pound.

Mr. Hall: Where is Mr. Darling located? A.—In Vancouver.

Mr. Helmcken: In that first tender, it is a lump sum of Dominion Wire Rope Company?

A.—Oh, no; I beg your pardon.

Q.—How did he arrive at \$5,917? A.—We figured it out.

Q.—Did you send a telegram, or did he send a telegram to you about the second tender?

A.—Yes.

Q.—Have you the telegram there? A.—Yes. (Aside.) Mr. Hood, do you remember that wire I sent to the Dominion Wire—there is one I sent from Revelstoke?

Q.—Have you the telegram there of November 14th? I want that letter of November 14th? A.—“October 9th. Dominion Wire Rope Company: Please make your tender price per foot *re* steel cables, and give weight per foot.” It was a lump sum, and we could not figure it out.

Q.—That is what I asked you; I said it was a lump sum? A.—I said the first one was a lump sum.

Q.—Then you sent a telegram, and then you got this second offer? A.—If you will just wait; don't confuse me; there are so many of them.

Q.—Well, I want to get at the course of each tender; that is what I want to get at?

A.—The first tender from them was by wire, I think. On September 29th was the first one.

Q.—September 29th, Dominion Wire Company? A.—Yes.

Q.—What do they say on September 29th? A.—Well, they put it at \$1.50 per foot, and we wanted the price per pound. Their tender was out of sight altogether.

Q.—Let us have it; was that worked out to \$5,917? A.—Yes.

Q.—That is \$1.50? A.—It is a very complicated thing; you can work it out yourself?

Q.—I would rather be excused. Still you got a tender on September 29th at \$1.50, which you carry out at \$5,917? A.—It was per foot; it was not per pound.

Q.—Then that tender did not amount to anything? A.—No.

Q.—How did they come to send in a tender on November 3rd? A.—That is the one that got here then, but it is dated on October 29th.

Q.—The letter is dated the 29th? A.—They are rather complicated.

Q.—September 29th, that is the tender at \$1.50 per foot? A.—Yes.

Q.—That is a telegram? A.—No, that is a letter.

Q.—What is this November 3rd?

Captain Tatlow: Same thing—it arrived here on November 3rd.

Mr. Helmcken: Why don't he say received here November 3rd?

Witness: It was per foot; it was not per pound.

Q.—Then that tender did not amount to anything? A.—No.

Q.—Have you got that telegram? A.—I will get it. “October 9th. Please make your tender price per pound *re* steel cable and give weight per foot,” so that we could work it out better. It is a complicated thing, because you have to work out each one separately.

Captain Tatlow: Then, was it your working out that you got the price down to \$5,581? A.—Yes.

Q.—Then he sent you in a lump sum of \$5,917. You got the details of that tender, and you worked it out, and you made it work out to \$5,581? A.—Yes.

Mr. Helmcken: Do you open these tenders the moment you get them? A.—Yes.

Q.—Well, you did not receive all these tenders on the same date? No; they were not looked at; they were registered and put away until they were all in.

Q.—By whom is that work done? A.—Registered by the clerk in the office.

Captain Tatlow: Is there no endorsement on the envelope to say they are a tender? A.—No.

Mr. Hayward: Not marked private? A.—No.

Mr. Gamble—*Continued.*

Mr. Helmcken: Mr. Stimson wrote you a letter on November 13th, saying that he wanted to put in another tender; have you got that letter? A.—Yes; there is the letter, Mr. Helmcken.

Q.—That is on the 14th November. Did you reply to that? A.—No.

Q.—How did they come to know that they wanted to put in lower prices? A.—I cannot say.

Q.—Had the information leaked out in any way? A.—No; because the contract had not been awarded.

Q.—That is on the 14th November; had he been down here between November 14th? A.—I can't say.

Q.—Don't you know? A.—I don't.

Q.—How does it come that the representative of Messrs. Roebling & Co. put in a tender on November 8th? A.—He met me and said he could do better, and I said "Very well; if you can do better, all right, put in another tender."

Q.—Where did he meet you? A.—In Vancouver.

Q.—At that time had the time expired for these tenders? A.—Yes.

Q.—And yet you accepted this other one? A.—I did not accept it; it simply came in here.

Q.—But you told him you had no objection? A.—Certainly.

Q.—Had you any conversation at that time with regard to prices? A.—No.

Q.—Had you accepted his tender? A.—No.

Q.—You received it? A.—I didn't accept it.

Q.—You accepted it, inasmuch that you had to look at the second tender? A.—Yes, I looked at it, certainly.

Q.—Were there any other applications made to you to be allowed to put in another tender from those who had already sent in a tender? A.—No, not that I am aware of.

Q.—Were you here all this time that the tenders were going on? A.—No, I was travelling about the country.

Q.—Then your letters would be opened by another clerk? A.—Yes.

Q.—Who does that? A.—Mr. Hood.

Q.—With regard to sending these letters out asking for figures or quotations, did you have any consultation with the Chief Commissioner as to whether you should do it that way, or how you should do it? A.—Well, I cannot tell you. We generally consult together on these things and I make suggestions, and I was ordered to carry out the work.

Q.—Do you remember whether you did it on this particular occasion? A.—I could not say to that.

Q.—I suppose Mr. Waddell is the Government figurer? A.—Yes, he is the Government figurer on work of that kind.

Q.—Whatever he says goes? A.—Whatever he says goes.

Q.—I thought so. You knew Colonel Prior, or rather E. G. Prior & Company, was an incorporated company? A.—Certainly.

Q.—And you did not know that they represented anybody in this line? A.—No; it is a speciality.

Q.—Do you want this Committee to understand that you did not send a letter to them because Colonel Prior was the head of the firm, and on account of being a Minister of the Crown you did not consider he could supply this contract? A.—I don't wish the Committee to understand anything of the sort. My idea was that Colonel Prior would not have tendered. I don't put my opinion about it. I thought that Colonel Prior would not tender.

Colonel Prior (aside): He did not, either.

Q.—I am asking you a plain question, that because he was a large shareholder in E. G. Prior & Company's firm you did not want to send in a tender to him, because he happened to be a member of the Government? A.—Exactly, if you put it that way.

Q.—Is that the reason you did not ask him to tender? A.—No, that is the reason I thought he should not tender.

Q.—Are you the judge of that? A.—This is a private opinion; it is not my opinion as a Public Works Engineer.

Q.—I am speaking of you officially? A.—Speaking officially, I did not know that Colonel Prior represented a wire rope company.

Mr. Gamble - *Continued.*

Q.—No, you did not know anybody only those that Mr. Waddell informed you of. You did not take any trouble to acquaint yourself of tenderers here which you would have done if tenders had been asked for? A.—No, I knew of these men, the Dominion Wire Company, as a reputable firm, and I knew of Roebing; they are known the world over.

Q.—You told us that those were given you by Mr. Waddell? A.—Exactly.

Q.—But you have only acted on your own impulse with respect to the Dominion Wire Company? A.—That is also Mr. Waddell's recommendation.

Q.—And you have followed out everything Mr. Waddell suggested? A.—Exactly.

Q.—Then you have a right to remember that there are other people who can attend to this work besides those recommended by Mr. Waddell? A.—That has nothing to do with the matter.

Q.—How do you come to fix November 15th, 1902? A.—Because that was the date I was ordered to go to Bella Coola.

Q.—And you left instructions with Colonel Prior's clerk? A.—No; I beg your pardon; I did not leave instructions.

Q.—Did you leave word with Mr. Cookson? A.—I sent word to Mr. Cookson on the instructions of Colonel Prior.

Q.—To do what? A.—To take over the schedule of tenders to him.

Q.—Where were you at the time? Were you in the building? A.—I was here; I was in Victoria at the time.

Q.—And if I understand aright, these tenders had been opened as they came in? A.—Exactly.

Q.—They were prepared by you in schedule form when? A.—They were prepared in schedule by me and Mr. Cookson about the 12th or 13th November; I can't say exactly the date; probably Mr. Cookson would be able to tell you.

Q.—Up to that time, had any person access to these letters? A.—No.

Q.—Are you sure? A.—Perfectly certain.

Q.—And have you Colonel Prior's tender? A.—I did not call for Colonel Prior's tender; I called for E. G. Prior & Co's. tender.

Q.—Where is it? A.—Here. (Hands document to Mr. Helmcken.)

Q.—And this is the first communication in writing that you had from E. G. Prior & Co., Limited liability? A.—Yes, E. G. Prior & Co., Ltd. Liability. The next one is this one, December 15th.

Q.—Where is your letter to them accepting that? A.—I did not write to them. (Aside) What is that date, Captain Tatlow?

Captain Tatlow: December 6th.

Witness: I answered it on the 12th December.

Q.—What did you say? A.—Here it is, you can read it.

Q.—And then they write to you on December 15th? Now, did you have any further communication on file from them? A.—No, only verbally.

Q.—To what extent? A.—Asking when the cable would be here.

Q.—Had it to be here by the 31st March? A.—About that.

Q.—When did you have a further conversation with them? A.—I could not say exactly the date.

Q.—Now, I want you to answer me. Did Colonel Prior ask you specifically to hold the tenders over, or only ask E. G. Prior & Co. to tender? A.—Well, that is rather a difficult question. Colonel Prior was the Acting Commissioner and he said he wished—

Q. (Interrupting)—Just answer. A.—You ask me to remember the exact words, which is rather difficult.

Q.—It is only a short time ago. A.—He said they would send in a tender, and that meant for me to hold the others in abeyance.

Q.—Did he tell you to hold the others in abeyance? A.—He did not accept the ones I put before him.

Q.—Did he tell you to do that? A.—No, he did not tell me. He was the man to say which to accept.

Q.—He was the man to say? A.—Yes.

Q.—That is all right enough. I am asking you whether Colonel Prior asked you specifically to let this matter stand over; now, did he do that? A.—Yes, he intimated it to me.

Mr. Gamble—*Continued.*

Q.—In what language? A.—I cannot exactly say.

Q.—You have to tell me? A.—You ask me an impossibility.

Q.—You say he intimated to you to hold these tenders over; now, let me know the language he used towards you? A.—That is impossible, utterly impossible.

Q.—I thought so. A.—It is utterly impossible for me to produce his exact words. My dear sir, you are putting me in antagonism to Colonel Prior.

Q.—I am a member of a Committee appointed to look into a very serious charge which has been made against Colonel Prior. A.—I leave it to the Committee here if it is possible for me to say something that I can't distinctly remember. It is perfectly absurd for you to wish me to say words I can't remember.

Q.—Well, an intimation is conveyed to you, however, that E. G. Prior & Company would tender? A.—Yes.

Q.—What is the language used on that occasion? A.—Now, you are asking me again something that I can't remember.

Q.—Do you remember? A.—No, I don't remember the exact words, but I understood E. G. Prior & Company—they were to tender.

Q.—That is as far as you can go? A.—That is as far as I can go and say the exact words. I followed my instructions in this spirit.

Q.—Did you go to E. G. Prior & Company and ask them to tender? A.—No, I did not.

Q.—No recollection of that? A.—No.

Q.—You are perfectly positive you did not go there or ask any member of the firm of E. G. Prior & Company about tendering? A.—Most certainly.

Q.—Didn't you get a telephone message from E. G. Prior, asking for the specifications and papers in connection with this matter? A.—Yes, and I think they got them, but I think Mr. Cookson would be able to certify to that better than I could.

Q.—Did Colonel Prior ever ask you to urge Mr. Wells to accept their tender? A.—No, never.

Q.—And did Colonel Prior ever have any conversation with you relative to their tender? A.—Not after it was received.

Q.—Was Colonel Prior around trying to get his tender accepted? A.—No, certainly not.

Mr. Hall: You expected the tender to come in from E. G. Prior & Company, or did it come to you as a surprise? A.—No, I expected it.

Captain Tatlow: Now, this tender of E. G. Prior & Company's wherein it states "We hereby agree to supply the Government of British Columbia with wire rope for the Chimney Creek Bridge, as per specifications, at the undermentioned prices, delivered Ashcroft, B. C. The figures given are for immediate acceptance." Then it goes on to say below the diameter and the weight; it gives the diameter $2\frac{3}{4}$ " diameter, weight 28,350 lbs., at \$8.90 per 100 lbs., \$2,523.15; and then again, $1\frac{3}{4}$ " diameter, 6,845 lbs., amounting to \$619.20; and then again, $\frac{3}{4}$ " diameter, 433 lbs. weight, \$11.65 per 100 lbs., \$50.44; and then $\frac{1}{2}$ " diameter, 200 lbs. weight, \$13.80 per 100 lbs., \$27.60. Total, \$3,210.39. Now, I understood you to say just now, in connection with the tender of the Dominion Wire Rope Company, they sent you in a lump sum of \$5,917, and you sent back to them and asked them to give you the weight per foot, and then you took that and arrived at the sum of \$5,581; how did E. G. Prior & Company arrive at those diameters and the weights? A.—We gave them to them.

Q.—Through this schedule here? A.—No, through the specifications.

Q.—It is in the specifications that were sent out? A.—Yes.

Q.—Well, I notice in the tender, their tender simply states wire rope, and the schedule calls for galvanized steel cable; is that the same thing? A.—The same thing.

Q.—The only thing is that you did not have the safeguard in this tender as you had in the other; you did not know what wire rope you were getting? A.—I did not know the firm at all.

Q.—Mr. Waddell had instructed you to write to certain firms he knew of, which, in his experience, he knew could supply the certain article he wanted to his satisfaction? A.—Yes.

Mr. Hall: So far as you know, the goods supplied by E. G. Prior & Co's. representative were equally as good as those supplied by any other firm? A.—We have not got it yet.

Q.—The material has not been received yet? A.—No.

Mr. Gamble—*Concluded.*

Mr. Hayward : In the schedule here there is one item here about the percentage, is this customary? A.—Yes.

Captain Tatlow : Is this wire rope delivered yet? A.—No.

Mr. Curtis : There has been a great deal of evidence taken in this Committee and I must express myself as being extremely gratified with the very frank manner in which the witnesses have given their evidence and in the way the evidence has come in.

Mr. Curtis : I understand it that this schedule that you yourself first put before Col. Prior, that it was put before him again by Mr. Cookson; is that correct? A.—Yes.

Q.—Who was it told you to have that put before Col. Prior; was it Col. Prior himself personally? A.—Yes, he asked me to over the 'phone.

Q.—Only on the one occasion? A.—Only on the one occasion.

Q.—And the papers were only sent for by Col. Prior on that occasion, as far as you know? A.—Yes.

Q.—And you told Mr. Cookson to take them in to him? A.—I wrote Mr. Cookson to that effect.

Q.—Were they to be taken to the Government Building or over to his store? A.—I don't know whether it was at the Government Building or at his store.

Mr. Helmcken : What was it? A.—A memo., I think. Mr. Cookson could recollect; I wrote it from Vancouver. It was a slip marked private, asking him to take over to Colonel Prior the tenders for the wire cable.

Q.—The tenders? A.—The figures—the bids.

Q.—The bids? A.—The tenders, or the quotations, or whatever you like to call them.

Mr. Curtis : The schedule you placed before him as Acting Chief Commissioner of Lands and Works? A.—Yes.

Mr. Helmcken : Didn't Col. Prior ask you to let him see the specifications and the schedule and papers? A.—No; decidedly not. I see you want to get something else. I am perfectly candid about this thing. The figures were sent to Col. Prior, at his request, by Mr. Cookson. All the papers, schedules, tenders and specifications, as far as I know of, were put by Mr. Cookson before Col. Prior, by my own instructions, at Col. Prior's request.

Q.—You say Cookson did that; you asked Cookson to do it? A.—Yes.

Q.—You don't know as to whether it was done? A.—No, I could not say so.

Q.—Did you instruct Mr. Cookson, in addition to taking over the schedule to show Col. Prior, to take also the letters, etc? A.—As far as I recollect, it was only the schedule.

Witness stands aside.

HONOURABLE E. G. PRIOR, having been duly called and sworn, testifies as follows:—

Mr. Hall (chairman) : I think you had better start in just by making a statement of what you know with reference to this matter.

Witness : Well, Mr. Chairman, I heard the evidence given by Mr. Wells as to his absence from Victoria, and I quite agree with that. At that time I was Minister of Mines, and I was acting Chief Commissioner of Lands and Works during Mr. Wells' absence. One day—I was under the impression that it was the 13th November, but I am not perfectly certain—Mr. Gamble came in to me at my office, in the Minister of Mines' Office, with a schedule, and told me that he wanted some cable for the Chimney Creek Bridge, and he asked for some prices or some quotations, and he said these were the tenders that were put in, and he laid them on the table before me, and I asked him if those were all that he had asked to tender, and he said yes. I asked him why he didn't give other firms, such as E. G. Prior & Company, Limited Liability, a chance to tender, and he said to me, if I remember correctly, that he did not think that I would care about them tendering. I told him that we were agents for some good rope—so I was informed—and I saw no reason why E. G. Prior & Co. should not tender. He then made some remark about my being a member of the Government, and I said that I did not see that that made any difference whatever, as I might be connected with a dozen firms. I said that the company was a limited liability company, and that whilst I sat in the House at Ottawa, both as an ordinary member and as a Cabinet Minister, that the firm of E. G. Prior & Company, Ltd., had supplied lots of goods to that Government, and that it was an acknowledged thing for anyone to do in business if it was a joint stock company. He then said that, in his opinion, he did not think it was a good thing, but, of course, if I wanted him to get their tender that he would do so. I said, well, I would like him to see some member of the

Hon. Mr. Prior—*Continued.*

firm and ask them if they would put in a tender. I never heard anything more about it, or had any conversation with a single member of my firm in regard to it. As I stated in the House yesterday, I did see the figures, but I have never told one single man or partner in my firm what those figures were from the other firms. I have never mentioned the subject to any one of them, or discussed the matter with them, but I thought it was only fair, as we were agents of one of the biggest firms in England, that the company of which I am a partner should have an opportunity of tendering. I heard that these prices had not been called for in the general way. The prices were received, as you have heard to-night, and no specified time was stated as to when they were to be opened or when they were to be in, and I certainly did not look on it in the ordinary way of tendering. I also knew from Mr. Gamble and the schedule he placed before me that some of these firms had put in more than one tender, and at different times. Mr. Gamble states here that I telephoned him, asking him to send down the bids or the tenders. All I can say to that is, and I am on my oath, that what I telephoned to Mr. Gamble was for him to send me all the papers connected with that bridge, and the reason I did that was because Mr. Schwengers, a clerk in the employ of E. G. Prior & Co., Ltd., came to me and said that he had been to Mr. Gamble's office, and Mr. Gamble was not there, and that he wanted some more information in regard to the specifications—the size of the rope, or something like that, he told me. He could not make out from the specifications he had, and I then said I would get Mr. Gamble to let me have the papers. Mr. Gamble telephoned, at any rate, and said that he would let me have the papers, and Mr. Cookson brought me at my office an envelope, and in that envelope were the specifications, and also that paper which you have seen. I took this out, and I looked at it, and I put it away in front of me, and the next day Mr. Schwengers came over again, and I showed him the specifications and went over them with him, but Mr. Schwengers, either at that time or at any time that I know of, never saw the prices that were given by the other men; and, so far as I know, neither Mr. Schwengers nor any member of the firm of E. G. Prior & Co. has ever been informed or notified as to the prices that were quoted by the other tenderers. I have never asked Mr. Gamble to get E. G. Prior & Co. the contract, and I never asked Mr. Wells nor any member of the Government to aid the company in getting it, and in no way have I ever given any information in regard to those prices, so far as I know, and I will swear it, I have never given those prices to anybody, and I have never heard from any man in my firm that they ever knew it. Mr. Schwengers is here and you can find out what he knows about it, but, as far as I know, the firm of E. G. Prior & Co. to this day don't know what the other tenders have given. I stated in the House yesterday that I did know the figures, but never on any occasion have I given that information away. That is all the statement I can make. Mr. Gamble stated that there was no time limit set as to when these contracts were to be given out. He also stated they were opened as soon as they were received. It was not like any other tenders where, at 12 o'clock of a certain day, all tenders are to be in, and are then opened and the lowest tenderer gets it. I did not look at it in the same light. I knew that E. G. Prior & Co. could give the lowest quotation. We supply the large mills with goods, and others, and I am told by the Chemainus Lumber Mills, whom we sell large quantities of rope to, that we can sell cheaper than anybody else. Those are the whole facts, as far as I know them. I have had no communication with my firm with regard to it, or any discussion with it at all in reference to this matter.

Mr. Helmcken: How long have you had the agency for that firm? A.—I could not tell you. I don't pay any attention to business, and have not done since I came into politics. I go there in the morning and get my letters, my private letters, and look around, and if there is anything special in the business or in my business letters they tell me; but otherwise I never bother about the business; and I may say, from the time I have entered into politics, I have never looked into my books from that time to this.

Mr. Curtis: What percentage of the E. G. Prior & Company, Limited Liability, paid-up stock is really owned by yourself? A.—I don't think that is a fair question.

Q.—You might own a great deal of it or very little of it? A.—I own a great deal of it.

Q.—90 %? A.—No.

Q.—75 %? A.—No, sir.

Q.—60 %?

Mr. Helmcken: I don't think that is a fair question; there is no charge of that.

Witness: Mr. Chairman, I own over 50 %; I own the controlling interest in the company.

Hon. Mr. Prior—*Continued.*

Mr. Curtis: I do not see that there can be any objection to that question. He may own a great deal, and he may only own a very small amount.

Mr. Hall: If a man is interested in a firm, he is bound to feel an interest in it as a business man.

Witness: I remember bringing up the case where Mr. Dunsmuir, for instance, had a large share in the Albion Iron Works when he was Premier of the House, and has, no doubt, to this day, and I said if the Albion Iron Works were allowed to tender, I did not see any reason why E. G. Prior & Company, Limited, were not allowed to tender.

Mr. Curtis: Well, did the Albion Iron Works, during Mr. Dunsmuir's term in office and as a member of the Government, has it furnished large supplies to the Government? A.—I don't know, I am sure.

Q.—Did they furnish any supplies? A.—Always furnishing supplies.

Q.—Has your firm, since you became a member of the Government of British Columbia, furnished more or less supplies to the Provincial Government? A.—Yes.

Q.—With tender, or without tender, outside of this transaction? A.—Oh, without tender, I think. I was not aware of it though, until one day Mr. Wells met me on the street and said, "Well, I have just made your fortune"; and I asked him how was that, and he said, "I have ordered a buggy from E. G. Prior & Company."

Q.—For the Government? A.—I expected so.

Q.—How long ago was that? A.—Oh, months ago.

Q.—You have made no objection to your firm, the firm of E. G. Prior & Company, Limited Liability, furnishing supplies to the Provincial Government? A.—No, sir.

Q.—Do you think it was quite the correct thing to do? A.—I do.

Q.—I understood you to say in the House, and it is referred to in that resolution, that during the time you were a member of the House of Commons at Ottawa, quite a number of years ago, you formed your business into a limited liability, so that you would have the opportunity of selling goods to the Government, notwithstanding that you were a member of the House? A.—When I went into politics we were in the habit of supplying the Government with supplies—the Dominion Government and the Provincial Government; and one Session—I think it was a Session or two after I got there, after I was in the House—I forget the year—it was 1887, '88 or '89—there was a sum of \$4 or \$5 down on the Auditor-General's Report for E. G. Prior, or Fellows & Prior, or, I think, it was E. G. Prior & Co., but it was not limited liability then, I owned it all. Well, the Opposition got on to it, and they were going to try and make me lose my seat, but, fortunately, we found an Opposition man, a doctor, who had been paid \$5 for attending some Indians or other, so it was a saw-off.

Q.—I think yours was the first case? A.—It might have been, one way or the other, but I think it was the Opposition. They told me then in the House, "Why don't you form your company into a joint stock company?" and I said, "Oh, I suppose it would be better"; "And then," they said, "you could supply any Government that you like." After looking into the matter, I found that there were some in my employ then who knew the business and who would like to get into it; so I sold them some of my stock and formed it into a limited liability company.

Q.—Although you were a majority owner of the stock in the firm of E. G. Prior & Company, you don't think there is anything inappropriate in your Government, or the Government of which you are a member, buying from your firm? A.—Certainly not, any more than a member who is a lawyer, or is Attorney-General, and his partner takes charge of looking after a Private Bill for anybody and lobbying it through the House.

Q.—You say that Mr. Gamble told you he thought it was a mistake for your firm to tender on account of your being a member of the Government? A.—Yes, he said so.

Q.—You don't agree with Mr. Gamble? A.—No, I don't.

Mr. Gamble (interrupting)—They have made a point of that assertion. What I said to Colonel Prior was not in my capacity as an official, but as a friend, and I urged him not to— isn't that right, Colonel Prior?

Witness: That is right.

Q.—When Mr. Gamble brought that schedule to you, which has been referred to in his evidence, it showed the prices at which the four firms had tendered for this wire cable? A.—It did.

Hon. Mr. Prior—*Continued.*

Q.—And you admit that Mr. Cookson, a clerk in the Public Works Department—not Mr. Gamble—brought this to your office in the building here? A.—To the Mines Department.

Q.—Yes, in the Mines Department, he brought an envelope containing not only that schedule of prices, but the specifications? A.—He did.

Q.—And when the schedule of prices was first laid before you by Mr. Gamble, it was with the object of having you select what tender should be accepted by the Government for this wire rope? A.—Yes, if we thought they were correct.

Q.—And you then saw the figures at which the various parties had tendered? A.—I stated so before the House.

Q.—But, you say, when the schedule was brought to you in your Department of Mines, and when Mr. Schwengers came to see you about the papers for this cable, you did not let him see this schedule of prices? A.—No, nor told him anything about it. I swear that I didn't tell him anything about it.

Q.—Don't you think it would have been better, since you had already seen those prices, and since they were in your possession then, had you told Mr. Schwengers that, under the circumstances, your firm had better not tender at all? A.—Well, perhaps it is wise, after things are all over, to see things in a different light, but I did not think then there was any harm.

Q.—But still you, the principal member of the firm, had seen the figures? A.—I am not carrying on that business now. I don't take a cent from it as management or anything.

Q.—Well, you take a share of the profits each year, when the profits are made up? A.—Yes, I do, as often as I can get them.

Q.—If you don't get any money for the management, it is because you don't give your services to it? A.—That is right.

Q.—Still, you take a lively interest in the business and attend at that place of business every day? A.—Not for business.

Q.—Well, if there is anything very special you are consulted? A.—Precious seldom.

Q.—Well, if there is anything out of the ordinary of importance in business you are consulted? A.—No, not once in one hundred times. Mr. Wynne is the manager, and he is a very jealous man.

Q.—I might say, I hope when you have so large an interest in a business, whether it be your own mercantile business or the business of running the country, that you pay more attention to it than you do to your own private business? A.—Thank you.

Q.—Anyway, what was stated by the newspaper, which is referred to in this resolution, that your firm put in a lower bid and secured the contract on Mr. Wells' return—your firm put in a lower bid than the others and secured the bid? A.—I never heard the price that our firm put in until to-night. I never saw the bid or knew what the price was that was put in until to-night.

Q.—That might be. A.—It is true.

Q.—How long is it since you knew that your firm really got that contract? A.—I could not tell you when I was told.

Q.—You heard of it some months ago, did you not? A.—I don't really remember when I heard of it.

Q.—Who told you that your firm had got it? Mr. Schwengers? A.—No, I don't think he did.

Q.—Who told you—someone in the Government? A.—I cannot remember.

Q.—Who told Mr. Schwengers that wire rope was wanted by the Government for that bridge? Was it you, after the schedule had been placed before you by Mr. Gamble? A.—No.

Q.—Who was it told your firm? A.—Well, I don't know; I suppose it was Mr. Gamble.

Q.—Well, he says he wrote no letter to them? A.—That might be.

Mr. Helmcken: He did write a letter. He wrote a letter on December 12th.

Mr. Curtis: That was a letter informing them that their bid was accepted.

Witness: They must have known before that. I know I never told them. Mr. Gamble must have done it, I think.

Q.—At any rate, you told Mr. Gamble that you thought your firm should have a chance to bid for the wire rope? A.—Yes, I did.

Q.—And if he informed your firm, it would really be at your request? A.—Yes.

Hon. Mr. Prior—*Concluded.*

Q.—Now, if Mr. Gamble says he did not tell your firm—outside of yourself—about it, how do you account for the other members of the firm knowing it, if you did not tell them?
A.—I didn't tell them.

Q.—Well, will you swear to that positively? A.—Yes, that I never asked them to tender.

Q.—That you never told any other member of the firm, or the employees of E. G. Prior & Company, that the Government wanted wire rope, and for them to make a tender? A.—To the best of my knowledge, I never did.

Captain Tatlow: Col. Prior, you stated just now that you did not see any more reason why you should not do any business with the Government than that lawyers should take fees?
A.—Yes.

Q.—You are referring to lawyers who are members of the House? A.—No, I am not. I have always understood that members who are lawyers in the House and have partners, they have their partners take charge of Bills going through the House, and their partners get feed for it, and they get a share in the profits.

Q.—And they have a share in the profits? A.—All I know is that in Ottawa, where I have been a member for a good many years, they don't think anything of supplying the Government with goods if they are a limited liability company.

Witness stands aside.

MR. GAMBLE recalled:—

Mr. Curtis: I want to know whether he informed any member of the firm of E. G. Prior & Co., or any employee of that company, with regard to those tenders.

Mr. Curtis: Did you, Mr. Gamble, ever inform any employee of the firm of E. G. Prior & Company, or any member of the firm other than Col. Prior, that the Government desired to have tenders for this wire cable? A.—Only after Mr. Schwengers called at my office.

Q.—When did he call at your office? A.—Well, that I cannot say exactly—I can't refer to it—I was away from the 15th November to the 2nd December, and it was after the 2nd December. I was not in Victoria at all between the 15th November and the 2nd December; I was storm-stayed at Bella Coola.

Q.—So it was after the 2nd December? A.—Yes.

Q.—Where did you see Mr. Schwengers then? A.—In my office.

Q.—What was said or done in regard to this wire cable? A.—It is a very difficult matter to remember what took place.

Q.—Just the gist of it? A.—I was urging them to send in the tender that they proposed to send in.

Q.—Did he on that occasion see this schedule of prices? A.—No, I don't think so; no.

Q.—Did Mr. Schwengers say he had seen them on that occasion? A.—No, I don't think so; you remember I was away for two weeks.

Witness stands aside.

MR. SCHWENGERS, a witness having been called on behalf of the Government, testifies as follows, he having been duly sworn:—

Mr. Hall: You had better make a statement of what you know in reference to this matter.

Witness: Well, the very first thing I knew about this wire rope business, I was talking to Mr. Wynne one morning, somewhere about half-past nine, and Mr. Gamble walked into the office and produced the specification for the wire rope, and asked me if we could give a price on it. I told Mr. Gamble we were agents for a large firm of English wire ropes, and we could cable them and get him a price, and he said "We have prices for both American and English ropes," and he said "I don't think there is any use cabling for English rates, because they are too high." I told him that I did not consider that that was the case. I know considerable about wire ropes, and knew that was not the case, and knew that wire ropes in England were much cheaper than those in the United States, because the wire rope in the United States is made from English rope and from English rods, and, therefore, it is impossible for American makers to compete with the English; and when Mr. Gamble told me that it was impossible to compete with the Americans in this class of rope, I thought that it was a good opportunity to get English firms to compete with Americans. That same day I cabled to our London office to get prices. Mr. Gamble mentioned at that time about the approximate price of the rope.

Mr. Schwengers—*Continued.*

Mr. Helmcken: Have you the cable there? A.—Yes, there is a copy of the cable; and we also sent, I think it was the next day, a telegram to our New York office. We had a New York office, and in that way we were able to obtain the prices on American wire ropes. The reason we did that was that he was figuring on American wire ropes. The prices in the United States are practically the same as a combine all over on wire rope. You might send for prices to eighteen firms, and they would all send you the same prices, and we would send for prices from our New York office, and make other inquiries, and when we got that price we would know what price to put our tender in at; for when we got prices both from England and the United States we were able to judge pretty fairly how the other prices would run; and in that way we made up our quotation and sent it in to Mr. Gamble. I only came over to see Col. Prior on one occasion. There was something I did not understand with regard to the lengths. I went over to the Government Buildings and Mr. Gamble was not in, and I went to Col. Prior and I showed him this difficulty that I was in, and he said that he would get the specifications and let me know what was right. It was getting somewhat late—somewhere about half-past four in the afternoon—so I went away and came back next day and Col. Prior showed me the specifications, and he told me he thought it was so many lengths. I asked Col. Prior on that occasion if he thought it was all right for us to put in a bid, and he said: “There is no reason why the company should not do so. It is a limited liability, and I am only a shareholder, and there is no more reason why we should not sell goods than the Albion Iron Works should not sell goods to the Government just because Mr. Dunsmuir was a large shareholder.” And I said “It is a very easy thing for to get a commission agent and let him handle this,” but Col. Prior said everything was free and above board, and there was no necessity to do it. Col. Prior, I do not think knows to this day what price we put in. When we got our quotations in Mr. Gamble was here, and Mr. Wynne fixed that price, and I showed him the price which we got from the States, which covered every large maker in the States, and we fixed a price that we knew would be under the American rates, and I took that price over to Mr. Gamble. I handed him the letter, and he looked at it, and he said “I will let you know later.” Several days after I went over to Mr. Gamble’s office and asked him what he had done; and he said “Your tender is the lowest, and I have recommended it to the Chief Commissioner favourably.” There was a plumber by the name of Cookson that was waiting to see him, and Mr. Dewdney was there. Mr. Dewdney went out, and I told Mr. McNeill that Mr. Gamble had asked me to come and see the Chief Commissioner with regard to wire ropes, and Mr. McNeill said “That is all right. He is going to authorise you that you are to get the tender for wire ropes,” and Mr. McNeill said “the order will be sent to you to-morrow,” and after that I went back to the office and waited until I got Mr. Gamble’s written order. I know that Mr. Gamble has stated that he did not come in and ask us to tender, but I guess Mr. Gamble has forgotten. I was talking to Mr. Wynne at the time. I did not know that Mr. Gamble was under a wrong impression about this, but he will, no doubt, remember his coming to me and producing that specification. He left it with us on that morning; it was on November 13th.

Q.—Did he leave that in the office of E. G. Prior & Co.? A.—Yes, the specification.

Q.—Any blue prints? A.—No.

Q.—Who did you say was present beside Mr. Gamble and yourself? A.—Mr. Wynne; he is the manager; I was talking to him at the time Mr. Gamble came in the office.

Q.—Are you sure Mr. Gamble called at your office? A.—I am positive of it.

Q.—Do you know Mr. Gamble? A.—I have known him by sight for many years.

Q.—Do you know him very well? A.—I never knew him to speak to until that time.

Q.—No doubt about it? A.—No doubt about it whatever.

Q.—Have you the specification there? A.—Yes, I think I have a copy of it; that is the specification. (Hands document referred to.) That is the specification which Mr. Gamble handed to me in my office.

Mr. Curtis: On the 13th November? A.—I think it was the 13th, because we sent our cable on the 13th.

Mr. Helmcken: Mr. Curtis, I don’t want to interrupt you—

Mr. Curtis: You go on and ask the questions.

Mr. Curtis: You have had those specifications ever since the 13th November? A.—Yes, they have been on our file.

Mr. Helmcken: Mr. Schwengers, did you, or anyone in your office, know the prices of the other tenderers? A.—No, sir.

Mr. Schwengers—*Continued.*

Q.—Or have any conversation with anybody relative to the other tenderers? A.—No, sir.

Q.—Did Colonel Prior ever tell you anything about it? A.—No, sir, he never mentioned the matter to me.

Q.—Did he mention the matter to any person in your establishment? A.—No, sir. If he had mentioned it I would have known it, I think.

Q.—Do you know of Colonel Prior asking for papers to be sent? A.—I don't. I know that Colonel Prior had the specifications when I went to him the next day.

Q.—You never saw the schedule of prices? A.—No.

Q.—Have you ever seen them? A.—No, sir.

Q.—Did Colonel Prior ever discuss with you what prices to charge? A.—No, sir. I don't suppose to this day that Colonel Prior knows the price we put in. Mr. Wynne and I discussed it.

Q.—What took place after you went over to see Colonel Prior? A.—We looked through the specifications to find out the exact lengths of those ropes, and I then asked Colonel Prior if it was right to put in the tender for it.

Q.—Nothing was said about prices? A.—No, the price was not mentioned.

Q.—What firm are you representing? A.—Wm. Cook, the largest firm in England.

Q.—What other firm? A.—No other firm in wire ropes.

Q.—Do you know any other? A.—I know that the largest firms in America did not tender on this wire rope. There are Messrs. Washburn & Mowan, large makers of ropes, and in England there is the White Cross people, and the White, and most of these large companies are Wellington people represented here. There is an agent in Vancouver for the White Company. R. P. Rithet & Company are the agents for the Wellington Wire Rope. They are in the city here, and their ropes have a great reputation.

Q.—For similar kind of ropes? A.—Similar kind of ropes; yes, there is nothing out of the ordinary in those ropes, except they have a wire centre running through them. Otherwise, it was an ordinary rope. Of course, it was rather large in size.

Q.—Had you at any time any access to the tenders? A.—No, sir; I had not.

Q.—Do you know whether any person in your establishment had? A.—No, I do not think any person had anything to do with it except myself. In fact, I know they did not.

Q.—And so you are positive that there is no other clerk from Messrs. E. G. Prior & Co., or any other person, who attended to this matter? A.—No, the matter was left in my hands until the final price was fixed with Mr. Wynne at the firm's office.

Mr. Curtis: How long after the 13th November was it that you went over to Colonel Prior's office in the Government Buildings to see him about the papers? A.—I don't know, I am sure.

Q.—About how long? A.—It might have been a week; it might have been two weeks—I really don't know.

Q.—Did Mr. Cookson bring in any papers while you were there, into Colonel Prior? A.—No, sir.

Q.—Colonel Prior had already the papers? A.—Yes.

Q.—Did you ever meet Mr. Cookson to speak to in these Buildings before your tender was accepted with reference to this matter? A.—No, I don't think I ever spoke to him. I might have asked him if Mr. Gamble was in. I spoke to Mr. Cookson once or twice afterwards, but not before.

Q.—You are quite safe in saying it was a week, if not two weeks, after the 13th November when you came over to the Buildings that Colonel Prior had those papers? A.—I can only say it was between the time that Mr. Gamble asked us to put in our tender.

Q.—Do you think it was a week? A.—Yes, I think it was probably more.

Q.—Who showed you the papers while you were over there—Colonel Prior? A.—Not the first time.

Q.—Were you over to his office twice? A.—Yes, I went the first day to see Mr. Gamble, but Mr. Gamble was not there.

Q.—Where was he? A.—I am not sure.

Q.—What day was that? A.—It might have been the day afterwards; I don't remember.

Q.—You have some idea? A.—Why should I?

Q.—You have a very distinct recollection about other things? A.—The matter that I went to see Colonel Prior about was not important.

Mr. Schwengers—*Concluded.*

Q.—You were then trying to make a tender, and if you went to see Mr. Gamble you must have some idea? A.—We had not put the tender in at that time, or were not prepared to.

Q.—Were you told Mr. Gamble was away on a trip? A.—I was told he was not in. It may have been before the 13th November, I am not sure.

Q.—Are you sure you saw Mr. Gamble on that occasion? A.—I could not see Mr. Gamble, and I went to Colonel Prior, and I told him I wanted to see Mr. Gamble, and why I wanted to see him. I told Colonel Prior the reason I wanted to see Mr. Gamble was to get the specifications, and as to how many lengths there were.

Q.—What happened when you went the next day? A.—He had the specifications for me.

Q.—Did you see the schedule of prices referred to put in by other tenders, and put in here to-night? A.—No, Colonel Prior never showed that to me.

Q.—Didn't you see the envelope? A.—No.

Q.—Didn't you see him take the papers out of the envelope? A.—No, I only remember seeing the specifications.

Q.—You don't remember seeing the envelope? A.—No.

Q.—Or Colonel Prior take them out of the envelope? A.—No.

Q.—He may have taken them out of the envelope? A.—No, I don't remember.

Q.—Or you don't remember that he took out the schedule of prices? A.—Never showed them to me, or spoke to me about it.

Q.—Well, you are positive about that and I do not see how it is that you are not equally so with reference to these other papers, and as to whether these papers were all in the envelope? A.—How do you know they were when I went over there? I don't know whether that paper was lying before Colonel Prior or not.

Q.—There has been some question come up about your firm supplying goods to the Government here; is that done right along? A.—It has been done right along, as long as I have been with them.

Q.—It is just the same now as before? A.—Yes.

Q.—Sold very considerable items? A.—Just small items, such as the gardener will want.

Q.—Or a buggy? A.—I think someone bought one; I think it was the Chief Commissioner of Lands and Works—or, at least, I mean to say the Commissioner at Atlin wanted a buggy and we sold him one.

Mr. Helmcken: Look at that document, Mr. Schwengers; have you ever seen that document before? A.—I could not swear positively that that is a document I have seen. (Referring to schedule.) I may have noticed that on Colonel Prior's desk along with the other papers, but I never looked at it—not to look into it.

Mr. Curtis: You won't swear that you did not see it? A.—Not that I did not actually see it, but I know that I did not take any particular notice of it.

Q.—You may have seen it, but you won't swear that you did? A.—If I did see it, I did not take any particular notice of it.

Mr. Helmcken: I want to know if you looked at those figures? A.—No, sir.

Q.—Are your recollections sufficient as to let us know whether that is the document you saw? A.—I don't really recollect positively that I saw it. I say I may have seen it on Col. Prior's desk lying with the other papers.

Q.—But you never got any information from that source? A.—The information would not be essential.

Mr. Curtis: You know that they are the same weights and same size that the specification calls for? A.—Well, it would be very strange if it was not so. We were all asked to quote on the same goods, and I presume the same lengths. Mr. Gamble furnished us with these lengths, etc., when he gave us the privilege of tendering.

Witness stands aside.

MR. GAMBLE, recalled, testifies as follows:—

Mr. Helmcken: Mr. Gamble, in this schedule I see that Leschen & Sons are not asked to bid on certain items?

Witness: Those are small things—sockets and things like that.

Committee here adjourned till 10 a. m. to-morrow.

29th May, 1903.

The Committee met at 10 a.m., pursuant to adjournment, all parties being present as before.

MR. COOKSON, having been duly called and sworn, testifies as follows:—

Mr. Curtis: You are a clerk in the Public Works Department under Mr. Gamble? A.—I am draughtsman.

Q.—You understand what this investigation is about? A.—Yes.

Q.—Were you ever instructed to take any of the papers in connection with these tenders, or in connection with this cable for the Chimney Creek Bridge, to Col. Prior? A.—Yes.

Q.—About what time was that—about what date? A.—Well, on the 15th November, 1902, Mr. Gamble notified me that he was leaving for Bella Coola to inspect a bridge that we were building over the Selont River, and he left for Vancouver that night. On Monday morning, the 17th November, I received a personal letter from Mr. Gamble, instructing me to take a copy of the tenders that we had got from the different firms and individuals to Col. Prior—the tenders for the Chimney Creek Bridge, the cable tenders—which I did.

Q.—Did you take anything else besides the tenders? A.—No; merely the tenders.

Q.—Did you leave these with Colonel Prior personally? A.—Yes.

Q.—Where, in his office in the Department of Mines? A.—Yes, I handed them to him in his own office.

Q.—Were they in an envelope? A.—Yes.

Q.—When did you get them back? A.—I think about 2 or 3 o'clock of the same day—Monday.

Q.—Was anything said by him to you as to Mr. Schwengers? A.—No, his name was not mentioned.

Q.—Did you ever take these papers to Colonel Prior again? A.—No, not after I left them with him on the morning—

Q.—Were these tenders ever seen by Mr. Schwengers in your office, to your knowledge? A.—No, I don't think so.

Q.—You know Mr. Schwengers? A.—Yes.

Q.—An employee of E. G. Prior & Company. Now, are you sure about that—can you swear positively that he never did see them? A.—Not before the contract was awarded.

Q.—He was in your office, wasn't he? A.—Yes, two or three times.

Q.—That is, before the contract was awarded? A.—Well, I cannot swear to that.

Q.—You will not swear to that? A.—No.

Q.—You are not sure? A.—No.

Q.—In the tender which was put in by E. G. Prior & Company, the quantities, that is, the weights of wire and the diameter, are specifically given—do you know where Mr. Schwengers got those figures and the weights of the different wire? A.—No, I do not.

Q.—Do you think he got them from your office? A.—Well, I cannot say, unless he had access to these plans you see.

Q.—I would like to see that letter. Now, you see the weights are given here, this tender of E. G. Prior & Company is dated December 6th? A.—Yes.

Q.—Are those the weights as given in the plans of this bridge? A.—Yes, those are the approximate weights of the cable.

Q.—I see that the wire is stated to be $2\frac{3}{4}$ inches, and then there is written in pencil $2\frac{1}{2}$ —that was afterwards? A.—Yes.

Q.—That is, it should be diameter $2\frac{1}{2}$ " weight 28,350 lbs.; and $1\frac{3}{4}$ " diameter, 6,845 lbs.; $\frac{3}{4}$ " diameter, 433 lbs.; and $\frac{1}{2}$ " diameter, 200 lbs. weight. Yes, that is all right—I may ask that each man or firm who was asked to tender on this bridge, were they given these weights? A.—Yes.

Captain Tatlow: Mr. Cookson, you say you took those tenders on the 15th to Colonel Prior? A.—On the 17th, sir.

Q.—Mr. Schwengers told us here last night that Mr. Gamble took these specifications over to E. G. Prior & Company's office and asked for prices; have you any knowledge of Mr. Gamble having done that? A.—None whatever.

Q.—It seems extraordinary, if the specifications were left at E. G. Prior & Company's office, that they should be asked for again? A.—Does he state what date the specifications were left there?

Mr. Cookson—*Continued.*

Q.—It is after the 13th—the 13th. A.—I don't know anything about that.

Q.—Mr. Gamble was here on the 13th, I suppose? A.—Yes, he left on the 15th for Bella Coola.

Q.—Well, if he left those specifications on the 13th, it hardly seems reasonable that they should ask for them again on the 15th; you can't throw any light on that? A.—No, I don't know anything about that at all.

Mr. Helmcken: What sized envelope was it, Mr. Cookson, that you saw? A.—Well, the copy of the tenders that I made out was on foolscap like this (referring to document), and I think that I probably folded it up like that, in order to make an envelope this long fit it, and probably it would be that deep (indicating dimension).

Q.—What are the papers you sent in there? A.—You see my duties were as instructed by Mr. Gamble. In the first place, it was to take the prices per pound that were bid by the different firms, and reduce them to dollars and cents. For instance, there were so many pounds of 2½ inch diameter cable, as the case might be, and when the firms sent in their letters, some came by letter and some by cablegram, and I reduced the prices of those to dollars and cents, and I had the name of each contractor on the top of the page, and the price bid; it was marked down in pencil.

Q.—Were the specifications not in this tender? A.—No, just my copy of the tenders.

Q.—You swear that the specifications were not in the envelope containing the tenders? A.—Yes, they were not in that.

Q.—Where is the letter from Mr. Gamble to you? A.—I have not got it. I kept this letter until his return from Bella Coola, and when he returned I told him that I had carried out his instructions, and I said, "Do you want me to keep this letter?" I had kept it from the 17th to probably the 3rd. He came back on the 2nd December, and I reported to him, on Wednesday the 3rd, and he said he did not want the letter, and I said "Will I tear it up?" and he said "Yes;" so I tore it up and put it in his waste basket.

Q.—Do you open Mr. Gamble's correspondence? A.—No.

Q.—Do you attend to it at all after it is open? A.—Only in relation to engineering matters.

Q.—Did you see those tenders? A.—They would come in at different times, telegrams and letters, and they would be entered by the clerk and put in a tray which we have for bridge matters, and, of course, I would see those every day probably, because it is part of my duties to look after all this bridge work, you see.

Q.—Were the letters put in this tray open and exposed to view, or were they simply placed in that basket in an envelope waiting action? A.—They were put in there just as they came, after being opened—just like that (indicating, laying written side of letter downwards), not always covered up or returned to the envelope.

Q.—What is the sense of bringing them out every day? A.—They are left there for Mr. Gamble to deal with.

Q.—On the open desk? A.—No, on the right of his desk.

Q.—Aren't they put in the safe? A.—No, not always.

Q.—Do you mean to tell me that public documents like that are left on an open desk and not put away in the safe? A.—They are left there for answering.

Q.—When did Mr. Gamble go away— A. (Interrupting)—I won't say these particular tenders were left like that. They might have been, and might not have been.

Q.—From the practice of the office, they practically were left there. Now, you say he left on the 15th November, and he never returned until the 2nd December. Do you mean to say that those communications were placed like that during his absence? A.—I would not say whether they were or not.

Q.—Do you mean to say that is the practice in your office for public documents to be left open like that, instead of being placed in the safe, and waiting to be dealt with? A.—I have seen them like that.

Captain Tatlow: Those documents are not in your charge? A.—No.

Q.—They are in the clerk's charge? A.—Yes.

Mr. Curtis: Is this the document you put in Colonel Prior's office—in the Department of Mines? A.—Yes.

Q.—You see it has been filed; is that the only document you put there on this occasion? A.—Yes, that is the only one.

Mr. Cookson—*Concluded.*

Q.—That is the schedule giving the tenders of the different people worked out? A.—Yes.

Mr. Helmcken: You had given the weights? A.—In the case of McLennan, of Vancouver, and, I think, Frank Darling, and the men that were asked to tender on them—they were cable men; they were sent the specifications and the weights.

Q.—Didn't you give them to Colonel Prior & Company? A.—No, I did not.

Q.—Didn't you have all to do with them? A.—No; Mr. Gamble is the Engineer. All I have done with the work is what I have been instructed to do.

Q.—Well, E. G. Prior & Company say Mr. Gamble handed them in that document; are you in a position to say if that is correct? A.—I don't know anything about that.

Q.—Is that a copy of the specifications? A.—This is an extract of the specifications which I made out for Mr. Waddell, who is the designer of the bridge. This is an extract of his specification in a small form.

Q.—For to give it to the tenderer? A.—Yes.

Mr. Curtis: That document which you took to Colonel Prior—we will call it a schedule of the tenders—that gives the prices at which these four other firms had tendered for this cable? A.—Yes.

Mr. Helmcken: Whose handwriting is that in? A.—This is my own.

Q.—That is your handwriting? A.—Yes.

Q.—Is that the same document that Mr. Gamble brought in to Colonel Prior as Acting Chief Commissioner of Lands and Works? A.—I could not say. Subsequent to this I re-wrote a fair copy in ink, and Mr. Gamble did not tell me as to whether he was going to take it in to Colonel Prior or not.

Q.—You don't know anything about it, then? A.—No.

Q.—You tell me you made another copy of that—an exact copy of that in ink? A.—In ink, yes.

Witness stands aside.

Mr. WYNNE, having been duly called and sworn, testifies as follows:—

Mr. Richard Hall (Chairman): Make a statement of what you know in connection with this matter.

Witness: Well, gentlemen, you would be surprised at how little I know about it. I just know that we were asked to tender. That is the way I understood the matter. Mr. Schwengers is the only one that had anything to do with the matter, that I can recall.

Mr. Helmcken: Do you recollect Mr. Gamble coming into the office? A.—Mr. Gamble has been in our office several times.

Q.—Do you recollect him coming in with regard to this matter—the Chimney Creek Bridge? A.—Yes.

Q.—And was it on this occasion that this specification was handed in, or that document? A.—Well, I could not say, Mr. Helmcken. I could not remember. I have seen a similar document to this. I was just saying (aside to Mr. Curtis) that I cannot remember whether Mr. Gamble handed this in at the time or not, in the office.

Q.—Were you present on the occasion when Mr. Gamble called on Mr. Schwengers in regard to the Chimney Creek Bridge? A.—No, I don't remember. I remember not very long ago he called.

Q.—When would that be? A.—I think a month ago.

Q.—This was some time in November last? A.—Well, of course, this thing, Mr. Helmcken (aside to Mr. Curtis), this is a thing, I was just saying, in which I did not take much interest at the time. I don't just remember the circumstances. The way it occurs to me is that Mr. Gamble came in with Colonel Prior and asked us if we wished to tender on this job. I cannot say positively though, because it is a matter which I have taken very little interest in until after the business came into my hands to help to fix a price.

Q.—Then the whole matter would be dealt with by Mr. Schwengers? A.—Yes, entirely.

Q.—He would take charge of it? A.—Yes.

Q.—You had nothing whatever to do with it after the tender came in with those papers? A.—Well, I think I helped to fix our price on it.

Q.—So as to make a tender? A.—Yes; but as far as getting the specifications, or anything of that sort, I had nothing to do with it.

Mr. Wynne—*Continued.*

Mr. Hall: Have you any recollection of Mr. Gamble calling in and having a talk with Mr. Schwengers, if not yourself, as to the material which would be wanted for this bridge? A.—No, I cannot say, Mr. Hall, that I have any recollection. I remember—it just strikes me that Mr. Gamble came in when the thing first came up like you see, and asked us if we could tender on it.

Mr. Curtis: Did you have much trouble about fixing the price? A.—Well, we had some little trouble to know just what we thought was a fair price, a right price.

Q.—When you got that, who, besides you, fixed up the prices finally? A.—Mr. Schwengers, he did all the figuring on the matter.

Q.—He simply brought the figures to you? A.—Well, it is usual. He is the one in our office that works out prices.

Q.—When he worked them out he would submit them to you? A.—Yes, I think he would do this in this case; it is usually customary.

Q.—You don't recollect that he did? A.—No.

Capt. Tatlow: Mr. Cookson said just now that he took this specification to Col. Prior on the 15th November, I suppose to be submitted; were those the first specifications that you saw? A.—I could not say, Mr. Tatlow.

Q.—You have no reason to suppose that any specifications were left by Mr. Gamble prior to that date at your office? A.—I don't remember any.

Q.—Has any complaint been made as to the quality of the wire? A.—No, sir.

Q.—You have not got the wire yet? A.—Part of it is on the wharf, and part of it is in our store.

Q.—What proportion is here now? A.—It is all here except the 2½-inch cable, which is coming by way of China.

Mr. Curtis: That happens to be the biggest part of it, 28,350 lbs.

Witness: It is on the way now.

Mr. Curtis: When should it be here, the remainder? A.—I could not say which vessel it is on, but I think it is pretty near due now, the large cables. We could tell you from the office just when it is due.

Q.—Are you positive it will be here before the winter roads are broken up this season? A.—No, we never guaranteed to bring it here before the roads broke up.

Mr. Helmcken: What is the reason of the delay? A.—Well, the makers claim, to get the ten strains or something in the number of wires called for, there was a difficulty in getting the proper grade of wire, and it had to be made specially and drawn specially.

Q.—The delay is in no way to be attributed to E. G. Prior & Co.? A.—No.

Q.—Did Col. Prior have anything to do with fixing the tender? A.—No.

Q.—You are the general manager? A.—Yes.

Q.—And all these matters come through you? A.—I might say that this special matter did not have the same attention as an ordinary matter may in the way of business, in the case of goods coming into stock. All that stuff would come through my hands, but this was an outside matter, which only required a little figuring, and Mr. Schwengers is our figurer.

Q.—Did Col. Prior ever give you any figure? A.—No.

Q.—Or ever take the slightest interest in it? A.—He may have told Mr. Schwengers something about it, but I know nothing about it.

Q.—Col. Prior said he did not tell him anything? A.—I don't know anything about it.

Q.—He never had anything to do with you? A.—No.

Q.—Had he anything to do with the fixing of the price of the tender? A.—No.

Q.—So the whole matter was arranged by Mr. Schwengers, with your assistance? A.—Very slight assistance from me.

Mr. Tatlow: Then I understand that there is no guarantee of any time for the delivery of the wire? A.—I suppose not. You might see our tender. I did not guarantee any time. We could not possibly guarantee to a month, coming by China.

Mr. Curtis: Supposing you had ordered the goods from American firms, you could have had it delivered in good time? A.—Well, our experience as to buying from American firms is that they take a good time to fill an order. We have had the same experience in steel rails.

Q.—Those are different? A.—They are easier to make than wire rope.

Mr. Wynne—*Concluded.*

Q.—You say you had to have this rope specially made, or some of it, in England, but it may be that it is a class which is kept in stock by the large rope and wire manufacturers of the States? A.—Possibly.

Q.—Did you ever notify the Government that, on account of the English firm having to have this rope specially made, you could not fill the order by the 31st March? A.—Only verbally. Mr. Gamble was in; he called in to find out where it was.

Q.—You told him it was still being manufactured? A.—No, it was on the way.

Q.—Is the 2½-inch rope on the way now? A.—Yes.

Mr. Helmcken: Col. Prior, during the whole time, in connection with this Chimney Creek Bridge, did he have anything to do with it in any shape or form? A.—Not to my knowledge, Mr. Helmcken.

Captain Tatlow: Mr. Gamble pointed out here yesterday that there were certain conditions of delivery attached to those tenders, and those conditions were that delivery should be made before the winter roads broke up, and that payment should not be demanded until the necessary appropriation had been made at the next Session of the Legislature—there is no such condition as that attached to your tender, is there? A.—I think that we sent in our acceptance; I think you will find that letter. Mr. Helmcken has, perhaps, got it there. We did not guarantee any time to deliver it. It is against our rules.

Mr. Hayward: The letter is here. (Reads) "We herewith agree to supply the Government of B. C. with wire rope for the Chimney Creek Bridge as per specifications, at the undermentioned prices, delivered Ashcroft, B. C. The figures given are for immediate acceptance."

Witness stands aside.

MR. MATHEWS, having been duly called and sworn, testifies as follows:—

Mr. Hall (Chairman): Will you make a statement of what you know in connection with this matter, Mr. Mathews?

Witness: Well, I know less than Mr. Wynne. I have had nothing to do with it at all. Col. Prior never said to me a single word about it. All I know is what Mr. Schwengers told me occasionally about our chance of getting the order, and when the tender was made in the office Mr. Schwengers, he and Mr. Wynne, decided what to quote, and I think Mr. Wynne just appealed to me to ask whether I thought that was right, and I said yes.

Mr. Helmcken: What is your position in the Company? A.—I am Vice-president.

Q.—Are you a shareholder? A.—Yes.

Q.—And Mr. Wynne is also a shareholder and managing director? A.—Yes.

Q.—Do you know whether Col. Prior had anything to do with this matter, so far as the firm of Messrs. E. G. Prior & Co. is concerned, to your knowledge? A.—I know he never gave us any information at all. I don't know whether Col. Prior knew whether they were going to supply this rope. I think, however, that that information came to Col. Prior.

Q.—You are not positive? A.—No, and I don't know whether it was Col. Prior who told us we were to supply the rope.

Q.—You don't know? A.—No, I don't know anything about it.

Mr. Hall (Chairman): Do you remember Mr. Gamble being in the office of your establishment about this matter? A.—I cannot remember. I think he was in.

Q.—About that matter? A.—I don't remember.

Q.—Some time in December? A.—I can't remember the month. I could not tell, really.

MR. COOKSON, recalled by Mr. Helmcken:—

Q.—I notice here there are a few corrections in this letter sent by your Department? A.—In dictating this letter to the stenographer those words were left out, and I just put them in.

Q.—Those were the figures given by you? A.—Yes.

Mr. Helmcken: Is that the correspondence there (indicating)?

Mr. Smith Curtis: That belongs to what you have. The three go together. There is a letter from Frank Darling with the specifications for a certain amount of this rope, which states delivery to be made 1st January, 1903; that accompanies a letter—there is no date on that.

Mr. Helmcken: I have all the explanation I need about this.

Mr. Tatlow: Mr. Cookson, in sending out this request, was any explanation made as to the delivery of this wire to the different firms? A.—They were asked to have this wire cable delivered about the end of January, 1903.

Q.—Then the condition of their tendering was that the cable was to be delivered during January, 1903? A.—Yes.

Q.—And E. G. Prior & Co., Ltd. Liability, they tendered on that basis? A.—Yes.

Mr. Cookson stands aside.

MR. MATHEWS, recalled, testifies as follows:—

Mr. Hayward: Mr. Matthews, you don't know in any way that Col. Prior had anything to do with the making up of the prices on the steel wire sent in by you? A.—I know he had nothing to do with the prices.

Mr. Helmcken: You have no knowledge, as Vice-president of the Company, that Mr. Schwengers, or Mr. Wynne, your manager, were in possession of the figures quoted by the other firms? A.—No, I do not know anything about it at all. I had nothing whatever to do with it.

Mr. Curtis: I object to your asking his opinion on what others thought and knew. He can only speak for himself.

Mr. Hall: You have asked questions in this inquiry far more reaching and drawing more on the imagination than that.

Mr. Curtis: If he gave an answer yes or no. The objection is that he can't possibly know what other persons' knowledge is or what it is not.

Mr. Hall: If the others had this knowledge, he, as Vice-president, would have been likely made aware of it.

Mr. Curtis: Oh, no; not by any means.

Mr. Hall: It is very probable he would have, though.

Mr. Curtis: How could he?

Mr. Helmcken: Did Col. Prior ever give you any prices about the matter? A.—No, I do not think he ever spoke to me about it.

Q.—Are you positive about it? A.—Yes.

Q.—Or that he never gave you any information about it? A.—I am positive that he never gave me any information about it at all.

Witness stands aside.

HON. E. G. PRIOR, recalled, testifies as follows.—

Witness: If I remember aright, somebody asked me last night if I knew whether it was the custom for any other firms, or any other companies who were shareholders in a company, and who were in the Government, to supply goods, and I said, if I remember aright—it may be that I did not give it in evidence, and may have talked about it outside of that—I said that it is not an uncommon thing to do this, and I could give instances where it has been done in this country. First, take the Albion Iron Works—a limited liability company. They have supplied any amount of goods to the Government, both when Captain Irving and Mr. Rithet were sitting as members, and when Mr. Dunsmuir was sitting as Premier. He was a large shareholder in the Company. Then there was the "Colonist" Office, which is owned almost exclusively by Mr. Dunsmuir, and during his term in office they had advertisements given to them by the Government, and sums of money paid to them without tenders. Then, as another instance, there is the "Times" newspaper, which is owned largely—or everybody thinks so, at any rate—by Senator Templeman, who is now a member of the Dominion House of Commons. They have not shut off the Dominion work because he is a member of the Dominion House of Commons; and I cannot recollect just at the present moment any specific firms in Ottawa and Montreal doing the same thing, and in other places, but I know for a positive fact that lots of firms have supplied goods where members of the firm have sat in the House and in office. The Independence Parliamentary Act was passed for that very reason. And I see by the paper it is stated that I formed my company into a joint stock company for the purpose of obtaining Government contracts. Well, if I did make use of those very words, I meant it to this extent, that I formed it into a joint stock company so that we would not be debarred from supplying

the Government. It is not fair, to my mind, to my partners, that because I go into public life, that they should be shut out of having the same chance to tender and supply Governments as other firms have. That is what I meant by it.

Mr. Helmcken: You were incorporated in 1891? A.—Yes, that is right.

Q.—And when you use the expression “partners,” you mean by that, they are directors?

A.—They were my partners—yes.

Witness stands aside.

MR. HOOD, called and sworn, testifies as follows:—

Mr. Hayward: Mr. Hood, do you know anything in regard to this case? Is it in your line at all? A.—Nothing in my line at all.

Q.—Nothing whatever to do with it? A.—No.

Q.—In regard to those papers that Mr. Cookson has mentioned, when these letters are opened you deal with them as regards putting them in Mr. Gamble's tray? A.—Yes.

Q.—Well, when those letters are opened, what is the usual custom in your office, what happens to them? A.—Well, I generally put them in the trays.

Q.—Take, for instance, this is a letter which has come in, is it closed up in the envelope, or just laid open? A.—Laid open and put in the tray.

Q.—So that if I went in the office I could see them? A.—Oh, but you could not go in and see them. It is in Mr. Gamble's private office.

Q.—Yes, but anyone who happened to be in Mr. Gamble's private office could see them? A.—Oh, yes.

Q.—Supposing I went into Mr. Gamble's private office, I could see them? A.—Yes.

Mr. Helmcken: You mean they are just put in Mr. Gamble's private office and left there? A.—Yes.

Mr. Hayward: They are not put in a safe or anything of that kind? A.—Oh, no.
(Witness stands aside.)

HON. E. G. PRIOR, recalled:—

Mr. Helmcken: Colonel Prior, regarding those papers that were sent to you. You have heard Mr. Cookson state this morning the only thing he sent was this document, or a copy of it that he prepared. You still adhere to the statements that were made last night by you that you did see something of that kind? A.—Yes, this is the one that was enclosed, the schedule.

Q.—You folded that up so that Schwengers could not see it? A.—Mr. Schwengers never saw that, or I never gave him quotations from it, or any information about it. It was a copy of the specification that he saw. I took this specification out and went over it with Mr. Schwengers. Mr. Schwengers wanted to see me about some lengths he did not understand, and I telephoned to Mr. Gamble the day before and asked for the papers connected with it. Whether he told Mr. Cookson to give me the bids, I don't know anything about it, but it was certainly the copy of the specifications that I wanted. I stated before, I did see the prices. I don't want to deny that I saw the prices from the first, but I never gave that information to any other person.

Witness stands aside.

Inquiry here concluded.

I hereby certify the foregoing to be a true and accurate transcript of the evidence as taken by me in the inquiry herein.

EULALIE BLYGH,
Deputy Official Court Stenographer.

Victoria, B. C., May 29th, 1903.

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