

NAMES ON PAY ROLL NOT OF EMPLOYEES

Admission Made Regarding Nipissing Central Railway

SUBSIDIARY OF T. & N.O.

Superintendent at North Cobalt States Before Public Accounts Committee That Amounts Were on the Pay Roll for Supplies Instead of Labor.

That names were entered on the pay roll of the Nipissing Central Railway of parties who were not employees of the line, was information secured by Mr. Proudfoot (Centre Huron) in the Public Accounts Committee yesterday in questioning Mr. K. Macdonald, local Superintendent at North Cobalt. The information showed that amounts were paid in respect of services that really represented supplies purchased.

The Nipissing Central is a subsidiary road of the T. & N. O., running from Cobalt to Haileybury. Mr. Proudfoot was examining Mr. Macdonald, who, besides being local Superintendent, is also President of the Conservative Association for the county of Bucke, as to the names on the pay rolls from November, 1911, to October, 1912. The committee refused to allow him to ask any questions relating to payments subsequent to that date. At first Mr. Macdonald said there were no names on the pay roll except of bona fide employees of the railway, and the amounts paid were for services.

Mr. Proudfoot inquired about the method of securing supplies through the purchasing agent. On being asked if there were any amounts in the pay roll for supplies and not for labor, he admitted that Harold Findlay, Manager for Robert Lillie, had received certain small sums for purchases instead of the vouchers being put through in the usual way. He explained the irregularity as a mistake of his own. There were two other parties with the name of Findlay on the roll, but these, he declared, were regular employees of the line.

Mr. Proudfoot was also interested in electric heaters. He learned from Mr. Macdonald that heaters had been stored in his house, the property of the railway, but none between November 1, 1911, and October 31, 1912, the period covered by the investigation. Under instructions from Mr. McGarry, he declined to answer whether the heaters had been operated in his house from power taken from the Nipissing Central.

The Transmission Line Contract.

On the continuation of the investigation into the contract for the Hydro-electric transmission line, Mr. Rowell examined Mr. R. A. Parte, sales manager of the Aluminum Corporation, Limited, of England, regarding his negotiations with representatives of the McGuigan Construction Company. The Liberal leader referred to a letter to the Hydro-electric Commission on August 27, 1908, expressing disappointment that his company had not been considered when the contract was awarded to the McGuigan Company.

The letter sets out that no tender was placed before the Commission by the Northern Aluminum Company, but a price had been directly to the contractor. This price, he declared, was one cent a pound less than that of the Aluminum Corporation given to the Commission and to the contractor. The explanation was given by the late Mr. Cecil B. Smith that the contractors were under obligation to purchase the material from firms that had many years of experience in that line of work. At the same time

The Aluminum Corporation had placed a certified check for \$20,000 with the Commission as a bona fide of its tender, and offered to provide a bond of \$100,000 for the proper performance of the contract. As the wire would be rolled in Canada and the raw material shipped from England, Mr. Parte suggested that the order be divided between the two competitors.

To Mr. Rowell, Mr. Parte said he had several conversations with Mr. Smith regarding the tender, and had been urged not to put a tender before the Commission, but to work through the McGuigan Co. "I did not feel," said Mr. Parte, "that I should be called upon to antagonize the Commission by withholding a tender and prejudice our prospects of getting business." He asked for some assurance that the McGuigan Co. would get the contract, and nobody else. Refusing to withhold his tender, Mr. Parte said he gave to the McGuigan Co., through Mr. Smith, the same price as named in the tender. After the contract was awarded and Mr. Parte went to Mr. McGuigan to secure an order on the basis of his low tender, explaining the negotiations he had with Mr. Smith, Mr. McGuigan promptly repudiated Mr. Smith's responsibility for making any such arrangement.

Mr. J. G. Stanley of the Northern Aluminum Company, Rochester, was called respecting the price paid by the McGuigan Co. for the aluminum cable furnished. He declined to give any answer to Mr. Rowell's question on the ground that the business with Mr. McGuigan was confidential.

Mr. Muralt Declines to Testify.

A further discussion came up regarding Mr. Muralt's attendance. Mr. Ferguson, Chairman of the committee, reported that Mr. Muralt's solicitors, Ritchie, Ludwig & Ballantyne, had stated he would not come to Toronto to testify. The Opposition leader referred to Mr. Muralt's promise to come if his expenses were paid, and suggested that his solicitors were anxious that he should do nothing that would embarrass the Government.

The matter was made the subject of a special report to the House, recommending that if Mr. Muralt would come to Toronto to testify that his expenses be guaranteed.

Mr. P. W. Sothmann is not anxious to come to Toronto. He sent a telegram to the effect that he was under medical treatment in New York, but would be prepared to appear before a commission.

Long-delayed Report at Last Distributed

After a delay of months the report of the Hydro-electric Power Commission for the year 1911-12 was distributed to the members of the Legislature yesterday. The report is a complete volume dealing with every branch of the Hydro-electric service, and includes details of capital and operating charges, new items of construction and the result of demonstrations in rural districts.

At the Niagara transmission station various improvements are being made, it is said, as the result of two years' operation. The increased number of municipalities taking power off the Niagara circuit has necessitated the enlargement of the equipment at the Dundas transformer station, which will be completed during the present year.