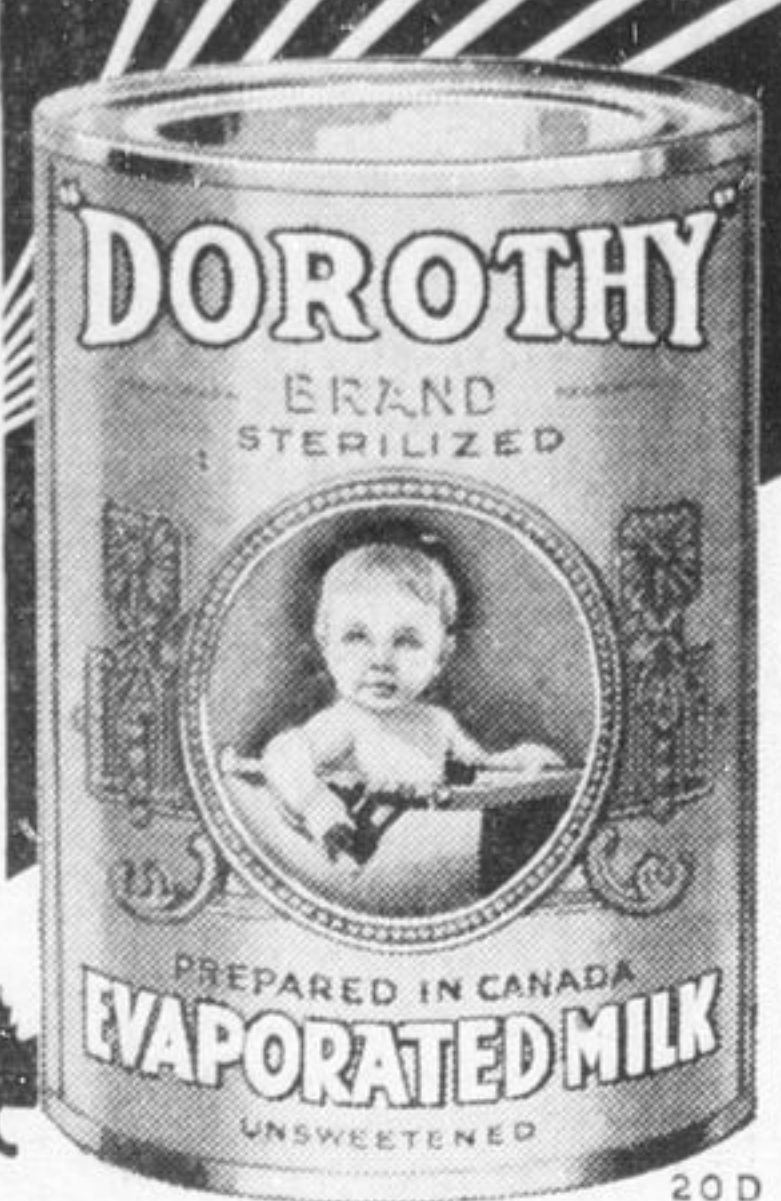


**SAVE MONEY**



Always ask for "Dorothy" Evaporated Milk—the safest, purest form of cow's milk—concentrated to double richness—made safe by sterilization and sealing in airtight tins—and truly economical because it eliminates all waste.

## Report of the Commissioner Enquiring into the T. & N. O.

**Suggests that Geo. W. Lee be Retired on Pension. Also Thinks Freight-Soliciting Dept. Might be Established with Mr. Lee in Charge. Condemns "Laxity" of Commission. Recommends Reduction of Service to Mooseonee. Many Changes Suggested.**

Last week at Toronto the report of the government-operated road further recommends that members of the T. & N. O. Commission serve without remuneration and that George Lee, chairman and general manager, be retired on pension.

The investigator, however, believes a freight-soliciting department should be established under Mr. Lee's jurisdiction recognizing his "long experience and intimate knowledge of the north country."

Summarizing the report one despatch from Toronto on Saturday said that complete re-organization of personnel and all phases of operation of the Temiskaming and Northern Ontario Railway, along with the adoption of economies estimated at half a million dollars yearly are recommended in the report of Arnold Racine to the Ontario Government.

The commissioner appointed by the government to inquire into affairs of the government-operated road further recommends that members of the T. & N. O. Commission serve without remuneration and that George Lee, chairman and general manager, be retired on pension.

The investigator, however, believes a freight-soliciting department should be established under Mr. Lee's jurisdiction recognizing his "long experience and intimate knowledge of the north country."

### Condemns Laxity

Mr. Racine finds that the commissioners have been "lax and negligent" in the performance of their duties and have permitted abuses of many kinds to occur. At no time, he said, did they "know the exact financial position of the railway, nor did they take the proper steps to ascertain it."

The commissioner criticized construction of the extension of the T. & N. O. from Abitibi Canyon to Mooseonee, saying he could not "conceive how anyone could have anticipated any profitable traffic to result therefrom."

Mr. Racine condemned letting of tenders and contracts awarded without tender. Total cost of construction carried out without tenders by the commission, he found, amounted to \$4,246,281, including both labour and material. His criticism applied particularly to contracts given H. F. McLean, Ltd.

**New General Manager**  
The commissioner recommended that the services of certain operating officials be dispensed with, and that other employees be pensioned immediately.

Further recommendations included: Appointment of a general manager who is a practical railway executive, and who shall not be a member of the commission.

Reduction of service from Cochrane to Mooseonee to "its minimum"; that the freight service be operated from Cochrane to Abitibi Canyon only, as if and when required; that for six months of the year a gas motor service be operated from Fraserdale, or Abitibi Canyon to Mooseonee.

An immediate general survey by competent persons with a view to re-organization of entire personnel and of all phases of operation.

Cancellation of all passes on November 1, 1931, excepting those allowed to be issued by the Railway Board.

**Urges Full Audit**  
An immediate audit as of Oct. 31, 1934, in order that "the true financial position of the railway may be fully known to the Government."

Immediate steps to make needed re-

pairs to all rolling stock.

Survey of branch lines to determine whether they are paying.

Closing of James Bay Inn, with possibilities of salvage by wrecking considered. If advisable, it could be operated by a charitable organization as hospital for Indians.

Application of five per cent. wage reduction to members of office and advisory staff who had not received the cut applied to other employees.

Pending general survey, all members of office and advisory staff tender their resignations immediately, "to be dealt with as decided upon."

Award of all contracts only after tenders have been properly called for.

Discontinuance of greenhouse at Englehart.

Rejection of tender of the Weaver Coal Company, and new tenders called for.

Employment of a chartered accountant as treasurer and chief accountant.

Combining of departments of audit and payroll accountant and paymaster.

Discontinuance of operation of the electric line of the Nipissing Central Railway between New Liskeard and Cobalt, and use, if necessary for passenger service, of battery cars on steam railway tracks of the T. & N. O. between those towns.

**Named for Dismissal**  
Those recommended for dismissal by Mr. Racine are W. H. Maund, secretary-treasurer; D. Hamilton, auditor; A. Freeman, chief of wage bureau; G. B. Alford, purchasing agent; S. D. Clement, chief engineer; E. L. Sherman, chief clerk to the auditor, and B. A. Wauchope, tie inspector.

Mr. Racine criticized payment of bonuses to these men and Chairman Lee, "while organized labour received reductions."

"Mr. Lee," he said, "lacked very necessary qualifications" as executive head of the railway, and that as a consequence the management was left to other officials, termed by the investigator "an internal group of men who had no right or ability to be so entrusted." He named these as Maund, Clement, Freeman, Hamilton and Alford.

Maund was described as lacking qualifications for the position of secretary or treasurer, and that "in matters financial he showed a deplorable lack of appreciation of the responsibility his position involved."

Hamilton, said the commissioner, lacked initiative and experience in accountancy, while Clement was criticized for not recommending a reduction in his staff of the "extensive engineering department."

**Tells of Secret Ledger**  
The purchasing agent, Alford, the commissioner declared, "is totally unfit to occupy the position," and was "unable to give any adequate explanation with respect to certain purchases," as well as "activities in connection with the awarding of contracts."

The commissioner could not see how Freeman had any active part in management of the road, "having regard to his qualifications," and found "a certain responsibility" against him for "the general overstating of the railway."

Chief Clerk Sherman, said the report, "has been in charge of the secret ledger, in which were kept records of special bonuses paid to officials and other information which the management desired to keep from the knowledge of the general staff and the public."

This book, said the Commissioner "also recorded items of expenditure, charged to the railway, for purely political purposes."

The investigator found special bonuses paid in 1926 to the Commissioners amounted to \$5,000 "without authority of the Legislature." From 1927 to 1933 inclusive, bonuses "granted by then Premier Hon. G. Howard Ferguson" to Chairman Lee totalled \$22,500. The Commissioner added it was stated in evidence by Mr. Lee that the practice of granting him a yearly bonus was approved by Hon. George S. Henry when he became Premier.

**Some of Bonuses**  
The Commissioner also found that bonuses over a shorter period of years were: Maund, \$1,800; Clement, \$700; Hamilton, \$550; Alford, \$150; Freeman, \$300; Sherman, \$100; W. Griffin, \$100; A. B. Adlum, \$300. Most of these, said Mr. Racine were not authorized by resolution of the Commission and the only explanation he could get was the Chairman's statement they were paid to keep peace in the family.

In 1931 when the largest sum was paid in bonuses the annual deficit of the railway was placed by the investigator at \$310,251.80.

In presenting his report, Mr. Racine divided extension of the road into three sections:

North Bay to Cochrane; Cochrane to Abitibi Canyon and Abitibi Canyon to Mooseonee. The first section "crosses highly mineralized and very fertile agricultural land," and "this is the only portion of the railway which has produced real health and benefit to the province generally."

Construction of the line through this section, "has been and still is a highly profitable venture and the purposes intended by construction have been more than justified."

The second section, said the report, is a mineralized area although no mines are now operating. There are rich resources of timber on both sides of the railway, and the revenue of the road north of Cochrane amounts to approximately \$40,000 a year. Ninety per cent. of this amount is derived from this second district. It is expected construction of this extension "will be fully justified in the future."

**Doubtful Investment**  
The third section, from Abitibi to Mooseonee is known as the Muskogee area. "It was admitted in evidence," says the report, "that 80 per cent. of this district is swamp and it is unfit for cultivation and without any timber wealth. It is not a mineralized area,

## AFTER OPERATION SHE GREW FAT

**And Became Short-Winded**

A letter just received from a woman states that she is writing in thanks for the benefit she has received. Her letter goes on—

"About 12 months ago everybody remarked how fat I was getting. I turned the scale at 196 lbs. I was fed up at getting so fat, and it made me short-winded. Why they noticed it more was because I was getting fat slowly since I had had an operation for appendicitis. I went back to the hospital, and the doctor said most women get fat after that operation. I had tried everything I knew of to try and get slim, so I thought I would give Kruschen Salts a trial. I started at first to take half the dose prescribed in my first cup of tea. Nine months ago, I turned the scale at 136 lbs., and at the time of writing I am 178 lbs. I feel better than I have felt for a long time."—(Mrs.) H.

The formula of Kruschen represents the ingredient salts of the mineral waters of those European Spas which have been used by generations of over-stuffed people to reduce weight. Gently, but surely, Kruschen rids the system of all fat-forming food refuse of all poisons and harmful acids which give rise to rheumatism, headaches, and many other ills.

although certain deposits of non-metallic minerals are said to exist.

The report outlined lack of harbour facilities at the terminus of the Moose river 14 miles from James Bay. It recounted the shortness of the navigation season and the hazards of sailing ships into the Bay.

"In attempting to seek justification for the construction of this extension," said Mr. Racine, "I cannot conceive how anyone could have anticipated any profitable traffic to result therefrom."

**Failed in Duty**  
"The Commission and the Government were most negligent in not giving proper consideration to the factors that could justify construction of this costly venture, resulting as it did, in a deficit for the year ending 30th June, 1934 of \$647,000. They knew there were no merchantable timber resources and they also knew there were no minerals possessing any possible commercial value."

"The only justification given in evidence by the members of the Commission is that the final decision to commence construction was made by the Government of the day. In my opinion the Commissioners failed in their duty by not opposing this construction. It is difficult, in view of the statement made by the then Premier Hon. G. Howard Ferguson, immediately following a tour of inspection of the land involved, to understand how the Government could have entered into this tremendous expenditure with no apparent return possible in proportion to the investment."

**Low Tenders Rejected**  
The Commissioner then cited a statement by Mr. Ferguson on September 28, 1923, saying there was no immediate prospect of an extension to James Bay and comparatively little likelihood of it within the next decade. The statement also advanced the Premier's reasons that much investigation would be necessary before the Government would sanction an expenditure of \$7,000,000.

The Commissioner discussed circumstances relative to letting of the contract and carrying out of work by H. F. McLean, Ltd., in the third section. In May, 1927, he found Construction and Engineering, Ltd., presented the lowest tender of \$675,866. H. F. McLean, Ltd., presented the next lowest, \$710,566. The lowest tender, "without proper consideration or investigation, was rejected and the contract awarded to H. F. McLean, Ltd."

The Commissioner found there was a reclassification of material as between hard pan and common excavation which resulted in payment to the McLean Company of an additional \$235,000. Total amount paid to the company on this contract was \$1,103,000, an excess of \$384,000 of the amount of the tender.

**Made Excess Payments**  
The same company was the lowest bidder on a further extension from Coral Rapids to Moose River, a distance of 45 miles, and was awarded the contract. "It is to be noted," said the report, "that in this case as in the case of the first contract the railway engineer followed the same practice of estimating a very low quantity of hard pan and a greater quantity of common excavation. H. F. McLean, Limited, bid very low on the common excavation."

Reclassification of material in these contracts, said Mr. Racine's report, resulted in payment to the McLean Company of approximately \$550,000 in excess of the amount estimated by the engineer.

The Commissioner then quoted from minutes awarding contract of a bridge across the Moose River at a cost of approximately \$1,000,000 to the McLean Company "without tenders being called for." A contract for ballasting between Island Falls and Fraserdale was similarly awarded without tenders and the same procedure applied in awarding the contract for construction of a line from Moose River Crossing to Revillon's Post.

From minutes of November 20, 1930, Mr. Racine quoted, with reference to dissatisfaction by the McLean Company over treatment in connection with classification of grading excavation. "The chief engineer was given instructions by the Commission to deal fairly and as liberally as possible with the contractors, in accordance with the contract."

**Hotel Ill-Advised**  
Cost of the James Bay Inn at Mooseonee was placed by the Commissioner at \$58,179.57, with a deficit for the two

years it had operated of \$18,752.39. The Commissioner found construction of this hotel ill-advised, considering the number of rooms available and expensive staff maintenance.

The Commissioner was unable to discuss the advisability of keeping every branch line open because "it was impossible to obtain from the auditing staff of the railway a financial statement for each separate branch line."

Such a statement, he said is not prepared periodically nor does the system of bookkeeping followed permit of this information being obtained. This does not apply, he said, in the case of the two lines operated by the Nipissing Central Railway where the bookkeeping system "permits of the actual operating profit or loss being determined."

"The attitude of the commissioners," said Mr. Racine's report, "in condoning the practice of permitting annually of a financial statement that did not represent the true position of the railway is to be condemned. This matter was apparently brought up and discussed several times at meetings of the commission, but no proper action was taken."

**Alleges False Reports.**  
Although year after year the commissioners advertised to the people of the province that the T. & N. O. was the only railway in Canada earning money, actually huge deficits were being accumulated. In the annual financial statement the commissioners acquiesced in the practice of not charging interest upon money invested in the railway by the Government, and of setting up a proper depreciation charge.

Calculation of these items shows the actual deficits of the railway as of 31st October, 1933, to be \$9,012,211.07."

The commissioner criticized payment of \$299,000 to the Weaver Coal Company as exchange on United States funds on freight rates from the mine to the lake port. Terms of the contracts, he said, provided that the coal should be paid for in Canadian funds, and that commission solicitors had advised that the exchange be paid.

In 1934 the Weaver Company was awarded a coal contract involving 100,000 tons, "although similar coal could have been obtained from the Valley Camp Coal Company, who tendered at 6 1-2 cents per ton cheaper which represented a saving of \$6,500 to the commission."

Purchasing Agent Alford, said Mr. Racine, offered the explanation that the tender of the Valley Camp Coal Company was "not in harmony" with the form of tender.

**Suspicion of Officials**  
The circumstances surrounding the dealings of the commission with the Weaver Coal Company indicate a very careless attitude on the part of its members towards the necessity for economy, to say the least," commented the investigator, "whilst the attitude of other officials of the railway in connection with this matter, in my opinion, leaves them open to grave suspicion."

In recommending cancellation of passes Mr. Racine found their "excessive" issue has resulted in considerable loss of revenue to the railway. During a five-year period total number of passes of all classes amounted to \$6,722

**Criticizes Appointment**  
D. A. Wauchope, brother-in-law of Chairman Lee, was made tie-inspector in 1929, but was "absolutely incompetent in grading of ties," said Mr. Racine, who declared Wauchope's previous employment had been that of



DECADES OF PROGRESS

1885-1894

## The Passing of the Old West

Western Canada of 1885 was still the land of great free open spaces, the home of the hunter, trapper and fur trader... of the Indians and half breeds... all bitterly opposed to settlement and the invasion of Eastern civilization.

The Northwest Rebellion of 1885 led by Louis Riel and Gabriel Dumont was the last stand of the Old Regime against oncoming civilization.

The Rebellion was shorter lived than the unrest which led to it and which followed, but, one year after Louis Riel was hanged, Calgary Office of Imperial Bank of Canada opened in a shed near the site it occupies today. The following year the Bank's Inspector paid a visit and was surprised to find stone buildings, and a Town equipped with fire-fighting apparatus costing \$20,000.

The first Western branch railroad line ran north from Calgary to the Saskatchewan River and the first train out of Calgary on this line carried two of the Bank's staff to open a branch across the Saskatchewan River in the "remote" village of Edmonton. For many years this branch was the most northerly banking office in Canada. Traffic came by the River and dealings were chiefly with fur-traders and trappers.

During this period branches of the Bank were opened cautiously in both East and West. Assets grew to thirteen millions and each year the shareholders received a fair return on their capital.

No. 2 of a series of advertisements associating the development of Canada with the progress of this Bank since its foundation in 1874.

# IMPERIAL BANK OF CANADA

HEAD OFFICE - TORONTO  
BRANCHES THROUGHOUT CANADA

assistant to a boiler maker, "although he stated he had had some experience in carpenter work."

The commissioner found that during the past 10 years 2,307,108 railway ties were purchased at a cost of \$1,695,879.25 without tenders being called for. The railway commission set the prices to be paid for ties each year, about 50 per cent. of which were purchased from the settlers and 50 per cent. from mill owners.

**SITTING DOWN TO DRINK BEER IS NOT APPROVED**

The Times, High River, Alberta—A coroner's jury exonerated a hotel-keeper who was charged with giving beer to an intoxicated man until he collapsed and died. The jury found that when a man is sitting down while drinking beer the hotel-keeper cannot gauge the degree of intoxication as he could if the drinker were standing. The old bar had such a bad name that in provinces that permit the retail sale of beer it is decreed that the drinker shall sit while imbibing. The result is that he generally drinks by the bottle instead of the glass and does not realize how full he is until he tries to stand or walk.

Gordon Mitchell, of Kirkland Lake, has set up a milk farm at the rear of his farm, starting off with ten Quebec minks as his stock in trade.

# AT THE Timmins Theatres

Matinee Daily at 2.30 p.m. Evening—7.00 p.m. (Continuous Performance)  
Special Matinee Every Saturday at the Goldfields Theatre at 12.15 p.m.

## Goldfields

Wednesday & Thursday, October 17-18  
An All Star Cast

"On Secret Service"

Friday and Saturday, October 19-20  
Pat Paterson, Spencer Tracy and John Boles

"Bottoms Up"

Mon., Tues. & Wed., Oct. 22-23-24  
Laurel and Hardy

"Sons of the Desert"

Thurs., Fri. & Sat., Oct. 25-26-27  
George Arliss

"The House of Rothschild"

(Super-Production)

COMING ATTRACTIONS  
"HIPS, HIPS, HOORAY"  
"THIRTY DAY PRINCESS"  
"STRICTLY DYNAMITE"  
"DAVID HARUM"  
"DANCING LADY"  
"TREASURE ISLAND"

MIDNIGHT SHOW EVERY FRIDAY AT 11.30 P.M.

## New Empire

Wednesday & Thursday, October 17-18  
Claude Rains

"Crime Without Passion"

Friday and Saturday, October 19-20  
Zasu Pitts & Edward Everett Horton

"Sing and Like it"

Monday and Tuesday, Oct. 22-23  
Jack Holt

"The Wrecker"

Wednesday & Thursday, Oct. 24-25  
Wynne Gibson and P. Foster

"Sleepers East"

Friday and Saturday, Oct. 26-27  
Evelyn Venable and K. Taylor

"Double Door"

COMING ATTRACTIONS  
"TILL TELL THE WORLD"  
"COCKTAIL HOUR"  
"MEANEST GAL IN TOWN"  
"KING OF WILD HORSES"

MIDNIGHT SHOW EVERY SUNDAY AT 12.01 MIDNIGHT



Lumber, Cement, Building Materials, Coal and Coke, Mine and Mill Supplies  
Clear B.C. Fir V-Joint; Gyproc; Hardwood Flooring; Spruce Flooring; V-Joint and Shiplap; White Pine Featheredge Clear Fir and Pine Doors in stock sizes, Sash in stock sizes.

## John W. Fogg Ltd.

Yard Head Office and Yard Branch Office  
Schumacher Timmins Kirkland Lake  
Phone 725 Phone 117 Phone 393