OF THE

SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS,

FROM 1ST JANUARY, 1876, TO 31ST DECEMBER, 1876.

To the Hon. the Speaker of the Legislative Assembly.

SIR,—We, the undersigned members of the Standing Committee on Public Accounts, cannot concur in the following statement in the first report of the Committee, viz:— "That the money, (viz: The payment of \$16,590 34 to Messrs. Tolmie & Finlayson) was "paid under an award of the Arbitrators."

And we desire to have this protest printed with the above mentioned report.

Committee Room, 29th March, 1877.

ROBERT BEAVEN, JOHN ASH. Appointed to enquire into the manner in which the Contract for the Cofferdam has been carried out since 1st January, 1876.

ROBERT BEAVEN.

Chairman.

To the Honourable the Speaker :--

SIR,—Your Committee appointed to inquire into the manner in which the contract for the Cofferdam and all other business connected with the Esquimalt Graving Dock has been carried on since the 1st January, 1876, beg leave to report as follows:—

2. That the contract with Messrs Hayward & Jenkinson was apparently reseinded on the 18th March, 1876, by a memorandum of agreement signed by F. G. Vernon as Chief Commissioner of Lands and Works, Charles Hayward, and Robert Jenkinson, the consideration money being ten cents.

3. That no work had been performed by Messrs Hayward & Jenkinson on the Cofferdam at that date.

4. That the contractors, Messrs Hayward & Jenkinson, had been instructed on the 20th September, 1875, in accordance with the 24th clause of the specification, to proceed at once with the construction of the Cofferdam.

5. That a contract dated London, 24th January, 1876, was made with Messrs. Reed, Bros. & Co., in which they agreed to construct the Cofferdam under conditions similar to those of the rescinding contract with Messrs. Hayward and Jenkinson, except that the work was to be completed by the 18th October, 1876. This contract was signed by John L. Reed, G. D. Reed, and F. G. Vernon, Chief Commissioner of Lands and Works. That at the date this contract was signed by Mr. Vernon, the agent of Messrs. Reed Bros., Mr. C. E. Dawson, had arrived in the Province to commence the work, and the date of completion, viz., 18th October, 1876, had been inserted in the contract, when signed in London by the contractors.

6. That a joint and several bond, signed by the contractors and James Wright and William Wilson, in the penal sum of \$7,500, was also signed in England, on the 24th January, 1876. That the contract price with Messrs. Reed Bros. & Co., is \$59,479.

7. That the contract, agreements and bonds, duly signed, were received at the Lands and Works Department, Victoria, on the 4th March, 1876.

8. That Mr. C. E. Dawson, the Agent of Messrs. Reed Bros. & Co., was placed in possession of the ground necessary for the construction of the Cofferdam at Esquimalt, on 21st March, 1876.

9. That on the 26th May, 1876, the Chief Commissioner, Mr. Vernon, addressed a letter to Mr. Dawson, requesting him to report fully to the Department of Lands and Works, as to the steps taken by him to carry out the contract.

10. That Mr. Dawson replied under date 7th June, 1876, as follows:---