
REPORT OF SELECT COMMITTEE

APPOINTED TO ENQUIRE INTO THE

PROGRESS OF THE COFFERDAM CONTRACT.

Your Committee have the honour to report that they have visited the Dock site and Cofferdam, and have obtained considerable information from various persons at one time or other connected with the work, as well as from the papers on the subject which have been laid before the House.

The contract for the construction of the Cofferdam was taken on the 24th January, 1876, and the work was to have been completed on the 18th of October, 1876; but, owing to apparently requisite alterations in the original plans and specifications, the time was extended, at the request of the contractors, to the 1st of February, 1877. A second extension, to the 31st of July, 1877, was asked for and given; but further extensions, though since applied for, have not been granted.

Making the utmost allowance for unexpected obstacles to rapid progress, your Committee regret to say that no valid excuse exists for the unreasonable delay which has occurred in the construction of so small a work. The Engineers-in-Chief assumed that three years would have been amply sufficient for the construction of the Dock itself, yet this time has already been consumed upon a mere preliminary work, which is even now far from being finished.

The Committee venture to think that the published correspondence between the Contractors' Agent (Mr. Dawson) and the Resident Engineer (Mr. Bennett) will convince any impartial mind that the work has been mismanaged, while the evidence of former workmen not only strongly supports this conclusion, but shows that negligence in the conduct of the work seems to have been the rule and not the exception.

If the testimony of witnesses be correct, and there seems no reason to doubt it, a large number of piles which had been condemned and marked by the Resident Engineer as unfit for the work, were, in the absence of that gentleman, used and placed at the shore ends and even in the centre of the dam by the employes of the contractors. The Government were charged with and paid for these piles as if they had been sound. Great irregularities are, moreover, disclosed by the evidence submitted.

On the 6th of December last, the Government stopped payments on the contract on account of its unsatisfactory progress. Your Committee consider that this was a judicious step, and believe, from a perusal of Mr. Bennett's letter of 1878, that it should have been adopted after the contractors had failed, in July, 1877, to fulfil their contract.

It seems incredible that a reputedly wealthy English firm, like Messrs. Reid Bros., should be unable to raise the small sum required to pay their workmen; yet such would appear to be the fact, as the work has been stopped within the last few days for alleged want of funds to pay wages.

The Committee consider that the Government should, as far as possible, enforce the contract, as every reasonable leniency has been shown in the past to the contractors.

J. S. DRUMMOND,
Chairman.

FURTHER REPORT OF SELECT COMMITTEE APPOINTED TO ENQUIRE
INTO THE PROGRESS OF THE COFFERDAM CONTRACT.

Since the last Report was presented, on the 27th March ultimo, your Committee have examined a large number of witnesses, nearly all of whom were produced on behalf of the contractors. The evidence, which is herewith submitted, is voluminous and in many instances of a very contradictory character.

The testimony of the Contractors' Engineer (Mr. Dawson) is not in accord with that of the Resident Engineer on some facts of importance; while the respective views and opinions of these gentlemen upon the conduct and management of the work are unpleasantly conflicting. The greatest latitude was allowed to Mr. Dawson by the Committee, as may be seen by a perusal of the evidence.

The further enquiry of the Committee has tended to strengthen the opinions and conclusions expressed in their last Report, from which they see no reason whatever to depart.

J. S. DRUMMOND,
Chairman.

EVIDENCE.

ESQUIMALT, FEBRUARY 15TH, 1879.

Evidence taken by Select Committee appointed by the Legislative Assembly for British Columbia to examine the Cofferdam at Esquimalt.

Mr. Dawson, Agent for Contractors, and Mr. Bennett, Resident Engineer, having been examined, their evidence is hereunto attached.

J. S. DRUMMOND, *Chairman.*

MR. BENNETT'S EVIDENCE.

By Mr. Helgesen—How far has the work on the Cofferdam advanced? *Ans.*—Three fourths.

What length of time will it take to complete the work at the present rate of progress? *Ans.*—About five months.

What reason can you give for the work not being completed within the specified time? *Ans.*—Delay in commencing work; time occupied in extra dredging; insufficiency of labour.

Has the contractor done all in his power to complete the work since the last extension of time? *Ans.*—He has not.

Do you consider the cement has deteriorated much? *Ans.*—Fifteen per cent. or thereabouts.

How many labourers have been working each day, on an average? *Ans.*—From fifteen to twenty within the last twelve months, and from ten to fifteen in number previously.

Do you consider that number of men sufficient to have completed the work within the specified time? *Ans.*—No.

How many supervisors have there been employed upon the work? *Ans.*—Two.

Do you consider the work that has been done, and now being done, is according to contract? *Ans.*—Yes.

By Mr. Mellmoyl—When the dam is completed, do you consider the dam will be as effectual as if completed within the specified time in the original contract? *Ans.*—The longer the time occupied in completing the work the greater the deterioration will be.

By Mr. Harris—Do you consider the dam capable of withstanding the pressure of water after being pumped out? *Ans.*—I believe that seven feet of puddle and twelve feet of backing would be sufficient to withstand the pressure of water from the outside, provided the piles were not wholly destroyed by the *Torredo Navalis* or marine worm.

When were the excavations for puddling commenced? *Ans.*—The 9th November, 1878, and have continued up to date.

(March 8th.) By Mr. Helgesen—Has any money been paid to Mr. Dawson for extra work? *Ans.*—Yes.

For what work was he paid extra? *Ans.*—For dredging, top plates, and long spikes for walings, extra timber in buttress row of piles, and for work in earth dam and sluices.

Is Mr. Dawson charging any extra for rock drilling and rock pile shoes? *Ans.*—Yes.

Were the holes drilled in the rock bottom at shore ends according to specifications? *Ans.*—Instead of 4-inch holes I recommended 3-inch. No provision was made in the specifications for drilling holes in deep water.

How much has been and is now due to the contractor, up to date, for extras? *Ans.*—I think about \$7,000, against which there has been a saving to the Government of about \$3,000 on account of iron pile shoes.

(Signed) W. BENNETT,
Resident Engineer.

MR. DAWSON'S EVIDENCE:—

By Mr. Harris—How much time was expended in drilling? *Ans.*—Three months were expended in drilling and planting gauge piles in rock where it was expected the piles could be driven near the two shore ends.

Could you have employed more men to advantage? *Ans.*—No; not until we commenced work on the excavation for the puddle. I could, if payments were resumed, employ more men and use extra machinery not called for by the contract.

By Mr. Helgesen—When do you think the work will be completed under the present rate of progression? *Ans.*—It depends very much on the Provincial Government. As it was going on the work would take about three months, but the force on the works could be increased if payments were resumed.

By Mr. Harris—How much is due to the contractors at the present time? *Ans.*—From \$17,000 to \$18,000 is in the hands of the Government, not all immediately due.

How much extra dredging has been done? *Ans.*—Contract calls for 550 cubic yards, but the quantity excavated was 2,050 cubic yards.

By Mr. Helgesen—Have you done all in your power to push the work to completion? *Ans.*—Yes; and if the Government had not stopped money payments I should have been one month further advanced.

By Mr. McIlmoyl—How many men were employed at the time the Government stopped payment? *Ans.*—Eighteen men.

How many were employed since? *Ans.*—In January there were twenty-three, in February twenty-five, and in December about twenty-three.

(Signed) C. E. DAWSON.

FEBRUARY 18TH, 1879.

WILLIAM MCGIRR'S EVIDENCE.

Have lately been employed by Government at dam on pumping machinery, &c. Before this, was employed, for about two years and three months, by Mr. Dawson, beginning 7th August, 1876, and ending 29th October, 1878. I acted as chief carpenter on the dam, and had superintendence of carpenter work under restrictions of foreman. I kept a diary at first on loose sheets of paper, and afterwards in a book for the purpose, noting all that occurred in connection with the work on the dam. The loose sheets are at my house in Esquimalt. Some have been lost. I have my later diary. I left Mr. Dawson 29th October, 1878. About the 15th October I had told Mr. Dawson of the great irregularities which had been going on, which he could not have known. As chief carpenter I had full run of and access to the plans, diary, and time-book belonging to the dam work. I told him that both his time-book and diary were wrong, and that a great deal of timber had been taken away, that the men had been frequently stopped from work on good working days, and although they received no pay for these days,

their time was still on the pay book and charged to the work; the money being drawn by the foreman Dexter. The men signed for the money, but I know they never received it. Stoddart, Bowling, Portland, and Labron, were men thus treated. My own pay was correct, except the first one month I worked, when I had a day less allowed than I was entitled to; I had this corrected. Bowling is now working on Mr. Brodrick's water-tank. He stated before me, and one Staples, now at Nanaimo, that he had signed for money which he had not received, at Dexter's instance. Dexter said the extra money which he (Bowling) signed for and did not receive went to pay for liquor used by the men on the dam. Liquor was frequently used in working hours. The foreman and men were often drunk when at work. Stoddart, Labron, and Portland are still on the dam. The foreman was, while I was on the work, in the habit of borrowing the men's pay. He would give some of them a few dollars on pay day and keep the balance, saying he would want it. A workman named McCord, now I think in Victoria, told me that Dexter had borrowed \$100 from him. McCord spent half a day coming into town to draw the money from the Bank for Dexter. This half day was allowed for by Dexter and charged to the dam. McCord soon after was made a sub-foreman with higher wages. This was in the fall of 1877, close on new-year. Labron informed me that he had received no pay for his time stopped, though it was charged on the book to the dam and the money drawn. In August and September of 1878, all the men signed the pay sheet before the amounts were inserted. They in fact signed the pay sheet in blank. I saw afterwards amounts entered in the pay sheet which the men who signed it told me they had not received. Labron and Portland told me this. The diving was charged by the diver at \$5 per dive. So Mr. Dexter and the diver, Harman, told me. I can state positively that many unnecessary dives were made and charged; for instance, in drilling the holes in rock for piles on the shore end, the depth of the hole could easily have been measured by a rod and gauge, as the water was only about 15 feet deep. Instead of doing this, the diver was sent down every now and then to measure the holes. I went to inform Mr. Dawson, at his house in Victoria of these facts, and I told him that I thought he was charged with more dives than were necessary, and also with more than had been made. Mr. Dawson showed me the time book, I found Harman (the diver) credited with two dives on each working day, until we stopped work on the morning of the 8th October, and with one dive on that morning. He had, in reality, only made two dives each day on the first three days of the month, and on the 4th, 5th, and 7th of the month, he had only made one, and made none on the 8th. Four dives, charged \$20, were thus overcharged. I told Mr. Dawson I could prove all these things if he would keep his books in his own hands, so that it would be impossible for anyone to change them. I told him also, that a great deal of timber had been taken away from the works, and that many of the men had been employed on other work by and for Mr. Dexter, and their time charged to the dam. He seemed to be greatly annoyed, but he said, if every thing I said was true, he didn't see how he could do without Mr. Dexter. I told him the loss of timber and time, and coal taken away, must have amounted to about \$800 or \$1,000. I told him I had a diary showing these things. Eight or ten days afterwards, Mr. Dawson called me into his office, and in talking about my work and employment, he said that diary is no use to you, it is none of your business, and he must insist on my giving it up to him, or obliterating all the items that referred to the dam, and that if I would not give it up he would consider me as a spy. I said I would not give up the diary or erase the entries for any work he could give me. I then left the office, and never returned. A great deal of the piles and waling that are in the dam were in a very bad state before they were put in. A large portion of the heavy timber had been condemned by Mr. Bennett. The greater part of this timber was put here and there in the dam, where convenient, in Mr. Bennett's absence. Much of this timber is on the shore ends. Mr. Bennett chalked the condemned timber. After he left Dexter had the sticks taken over to the far side of the work and planted with the bad ends downwards. In driving the piles the men were frequently sickened by the worms flying out of them when the hammer fell. Nearly 100 short and long sticks were condemned. The greater part of the timber was condemned in March and April, 1878. Mr. Williams took a piece of worm eaten timber which was subsequently used in the dam, as he said to shew it to the Land Office. I believe it was shewn in the House of Assembly. The stick is now on the upper row of wales. It wouldn't have stood driving. Several sticks broke off, and others were crushed in driving, owing to rottenness or being worm-eaten. Much of the best timber was cut

into firewood and taken to Dexter's house. It was sometimes wheeled into the bush to escape Mr. Dawson's notice, and afterwards taken to Mr. Dexter. Every stick was numbered and its length taken in the office. I didn't tell Mr. Dawson that this was being done, as I thought it was the foreman's business. However, matters went so far that I had to tell him, as stated. Mr. Dexter had me engaged for days and days working at furniture for his house. My time was charged to the dam. I read Mr. Dawson's published correspondence with the Government. I find that he states he made great efforts to get a dredger in order for the first dredging. At this time, which was in the Spring of 1877, Mr. Dawson was seldom on the work, being for three weeks at a time absent, and sometimes being only an hour or two at the office. The men, during his absence, were working for Dexter, fitting up his house and arranging his garden. There was a man named John Sadler, who was about six months on the pay sheets of the dam work. I don't suppose he worked a month in all on the dam. He was at work in Dexter's garden, and working at Mrs. Nunn's. Mrs. Nunn is Dexter's mother-in-law. These facts can easily be corroborated. I mention them to show that no effort was made, as stated, to get the dredger ready. Another carpenter named Gray was also employed at this time to hasten the completion of the dredger, but he worked mostly at Dexter's house. Gray resides at Esquimalt. The men were told by Dexter to keep a watch for Mr. Dawson, and when he appeared the men gave warning, and all reached the works while he (Mr. Dawson) was putting up his horse. I can prove that some of the measurements of the timber which have been certified and sent into the Government for payment, are incorrect. I measured, marked, and cut-off the piles. They were supposed to be a certain length—say from 38 feet to 46 feet. About 15 or 16 of the longest piles were shorter by 16 inches each, at each end, than required by the specifications. This arose from their being cut that much shorter by Mr. Dexter's orders, who used the pieces for firewood. These piles are consequently 32 inches shorter than called for and reported, and have been driven that much short of their true position in the ground or bottom. D. E. Davis, of Esquimalt, and Staples and McCord, can corroborate this statement. McCord first proposed to me the keeping of a diary, as the proceedings were scandalous and should be noted. Mr. Dawson told me to give Mr. Bennett no information respecting any of the timber on the dam, and let him find out for himself what he could, as he (Mr. Bennett) had not acted in a gentlemanly manner. This Mr. Dawson said to me shortly after the first Legislative Session of 1878. I read, as stated, all the published correspondence, including the letters of Mr. Dawson and Mr. Bennett, and I have no hesitation in stating that Mr. Bennett is right and Mr. Dawson wrong. The ends of the condemned timbers were, in some cases, covered with clay to hide the defects from Mr. Bennett, and, in other cases, slabs of wood were placed over them when the tops showed rottenness. On some of the horizontal timbers or walings, when a scarf was cut out, it was covered with lumber to hide the defects of the timber until the counter scarf was ready to cover it.

By Mr. Harris—Did Mr. Dawson properly attend to the prosecution of the work? *Ans.*—No, sir; he has not from the very first, and for the last three months he has hardly ever been on the work. His time spent on the dam might average five days, of ten hours each, during each month since August, 1876.

Did his foreman properly attend to his work? *Ans.*—No, sir, not after the first three months, beginning on August 7th, 1876. After this he seldom reached the work before 8, 9, or 10 a. m., and didn't remain on after he came, but would go to the town and play billiards, or amuse himself. This statement has no reference to the three-quarter time during which the men have lately been working. The foreman's name is Dexter. He had to return home invariably for breakfast after arrival on the works.

Is the work now being vigorously prosecuted? *Ans.*—No, sir; Mr. Dawson has only about 25 men at work. The pile-driver was moved about a week ago to Thetis' Island side of the dam, but no piles have been driven as yet. By increasing his rolling stock, and putting his tracks, &c., in better shape, he could, advantagously, employ 60 men. When the news reached Esquimalt that the Government stopped payment, Mr. Dawson employed about 16 men.

In answer to Mr. Helgesen—The average number of men employed on the work from the beginning might be about ten. The lowest number has been four or five men (exclusive of foreman), and the highest about 25.

By Mr. Harris—If the work had been properly conducted would it have taken up to the present to do what has been done? *Ans.*—Certainly not, nor even to complete it.

A year from the commencement was amply sufficient for completion of the work. The dredging was a little difficult, but the wood-work was nothing.

Has the work been done in a workmanlike manner? *Ans.*—The work now is right enough, but it has been done, in many instances, four or five times over, at a great loss of materials and time.

Did Mr. Bennett measure the timber, or take the measurement from Mr. Dawson's books? *Ans.*—Mr. Bennett never measured the timber while I was on the dam. I don't know how he got it. I measured the timber. I have no record of it. I didn't give the the measurement to Mr. Bennett. I marked it on the timbers. Dexter took off the measurements from the piles after I had marked them. I can, if necessary, point out many of the condemned piles in the dam. Some of them are in the most important places in the dam. I don't think Mr. Bennett could have been aware of the bad piles being thus used. When we bored the piles below water last October for tie bolts, the augur often took its own course, as the wood was worse worm-eaten than ever. The augur thread wouldn't bite.

What time will it take, with the present men and appliances, to complete the dam? *Ans.*—At the present rate of progress it will take eight or ten months, but if the work was properly managed, the dam could be finished in three months.

In answer to Mr. Helgesen—The dredging was done very slowly. I think that the measurement of the earth dredged, as given by Mr. Dawson, is excessive. The amount of earth in the punts as dredged was often guessed at, and frequently put down from the men's statement, as the foreman was often absent. The sluice-gate lately finished, could have been completed in a shorter time, and at much less expense, than it must have cost. I could have easily done the work for \$700, exclusive of the price of the gates. Four different dams and excavations have been made, when one should have answered.

THURSDAY, FEBRUARY 20TH, 1879.

JOSEPH GRAY'S EVIDENCE.

I am a house carpenter, and was employed on the Cofferdam the spring after it started, with a man named McGirr. It was the spring of 1877. I was there about a month. I live at Esquimalt. I worked for Mr. Dawson, fitting up the dredger. We were supposed to work ten hours a day. We didn't do so. One of the men, nick-named "Steff," employed on the dam, worked during working hours for Dexter at his garden. There was another man, whose time was charged to Mr. Dawson, employed painting Dexter's house, for about three or four days or more; perhaps more. Steff attended to Mrs. Nunn's horse night and morning, an hour each, and got firewood from the dam for Mr. Dexter. The firewood was from remnant pieces there. Dexter was kept supplied with firewood by the men from wood taken from the dam. This has been so since the dam was started. When I was at work Mr. Dawson came down nearly every day, except Saturdays. When I was at work Mr. Dawson attended about five times a week. Since then less. Latterly he has been there very little. The work has not been rushed. He had no practical men except McGirr. The foreman was a sailor. Eight or ten good men would have done as much work in a month as Mr. Dawson's men could do in a year. At the rate they are going on they won't finish for a year. There was not a bit of system in the work, and skilled mechanics were employed to do work boys could do. The work now being done on the clay in preparing it could have been done advantageously last summer, or sooner. Mr. Dawson has exhibited no skill or knowledge with respect to the work since it started. There has been a great waste of time and money on the work. It has been a laughing-stock to people who understand what work is. I examined several of the piles intended for the dam. They were worm-eaten badly and rotten. They were honey-combed out. I fitted up Dexter's cottage during the time I was employed on the dam. I was about a fortnight at the work. I worked in the morning, as Mr. Dawson didn't come down till the afternoon. In the afternoon I worked on the dam. I was paid for my whole time by Mr. Dawson. Dexter made out the pay-sheet, which included the time I worked on his house. Steff and George, two fellow-workmen, and both sailor-men, were employed working on the house and garden belonging to Dexter when I was there. Their time spent in this way was charged to Mr. Dawson

and they were paid by him. Dexter made out their pay-sheets. There was one pile christened the "Dufferin pile." A solid block or piece was cut off it after it was driven. A small cabinet with drawers was made out of it for Dexter by McGirr. It took McGirr, off and on, a couple of weeks to make it. He didn't rush it. Mr. Dawson was charged with McGirr's time. If I had been the contractor I would have considered myself swindled the way it has been carried on. The Cofferdam ought to have been finished in 18 months at least. The delay after the first dredging was so long that the surf and sea washed into it and filled it and made the second dredging much more expensive. The work seemed all hap-hazard or, as carpenters would say, "cut and fit," or guess work. Some one of the men was always on the watch for Mr. Dawson, who generally came down about 1 or 2 p.m. This was when Dexter's house was fitting up. When he was seen coming the alarm was given, and while he was putting up his horse we got down the back way from Dexter's to the dam. Dexter told me to be on the dam when Mr. Dawson came. We used to have to run pretty fast for it, so that Mr. Dawson should not see us going down or away from the work. There were, as I said, three of us in this fix. Mr. Dawson doesn't know anything about a man's work. He is as ignorant as a child about timber work. I have worked in the old country and know that experience is required about timber. There has been no difficulty about pushing the dam forward, except from the foreman being wholly incompetent and Mr. Dawson neglecting it and leaving everything to him. I was discharged because there was no carpenter work to do. McGirr got extra wages, same as I did, \$3 25 a day. He sat on a stool all day and simply moved the hoisting lever of the friction gear. A boy twelve year's old could have done this. McGirr often complained of being tired doing nothing. There were about eight men on the job. Dexter would come down in the morning and go off for his breakfast afterwards. The men used to talk about the work and say that they never had such easy times. They used to tell me I was working too fast, although I didn't work hard. I didn't try to work because the men would have got down on me. I have worked and served my time in England. I never saw any work so badly conducted as the work on the dam. Bowling was a workman on the dam. Mr. Dexter and I are quite friendly. He is living in my house. I am a married man and have been here since 1850.

(Signed) JOSEPH GRAY.

FEBRUARY 26TH, 1879.

CHARLES KENNEDY examined.

Have worked on the Cofferdam since about the 17th of June last. Was employed as carpenter; assisted in preparing the piles for use. The greater portion of the piles were driven before I commenced work. The piles used were inspected by Mr. Bennett. There were some piles used in the dam that I did not consider were fit for use. I consider there has been a great deal of unnecessary work done, for want of it being conducted in a practical manner. We oftentimes worked reluctantly, knowing what we were doing was worthless. We considered it a very easy job to work upon, as oftentimes Mr. Dexter, the foreman, scarcely knew what to put us at. There was a loose way of carrying on the work. There were several men did work for Mr. Dexter. Mr. McGirr made a bath tub and, I have been told, a cabinet. Mr. Carter made a swing for Mr. Dexter. I assisted in boring the holes for the tie bolts in the dam; found a good deal of difficulty in boring, on account of some of the piles being worm-eaten.

You signed the pay-sheet without knowing what the amount called for? *Ans.*—I did.

Mr. Dawson was not there regularly, and has been absent one or two weeks at a time, but has been there more regularly the last two or three months. There were about 14 or 15 men employed previously to the 1st January; since then there has been about 25. The work that is being done now, preparing the clay, could have been done months ago. Mr. Dexter is usually on the work soon after seven in the morning, but always goes home again for breakfast.

(Signed) CHARLES KENNEDY.

APRIL 4TH, 1879.

CHARLES EDWARD DAWSON examined.

To Mr. Harris—There was no timber used in the dam unfit for the purpose. I condemned a great deal of timber—*i. e.*, any sticks worm-eaten—even before the Resident Engineer had seen them. None of the condemned timber was used to my knowledge. It is quite possible some of the sticks may have been used—say one or two, certainly not more,—that would have been owing to the Resident Engineer omitting to give the sign as well as the number marked on a condemned stick. None of the piles broke or even crushed when being driven from being rotten or worm-eaten.

To Mr. McIlmoyl—Sometimes, but very rarely, we have re-headed a pile during driving, which is a frequent thing in almost all pile driving. I so closely watched the work that this could not have occurred, without my knowledge, oftener than stated. Allowance was made for cutting off the head of every pile. Nearly every pile in the dam has been driven its full length without being cut. This speaks well for the quality of the timber. This I say positively, to my own knowledge. I was on the ground during all hours of the day, and was there all day often when the piles were being driven. During the course of some weeks I was there daily some portion, in fact the greater portion of the day, while in other weeks I was not more than once or twice on the works. Whenever possible, I did my office work in town to save the time of travel to and fro. No timber condemned as useless was used for the walings. No slabs were nailed over the scarfs of the walings for the purpose of concealing worm-eaten parts. No slabs were nailed on tops of piles to conceal bad timber, but slabs were so placed in compliance with wishes of Resident Engineer. [*Vide* letter of February 23rd 1878, produced.] Sticks condemned by Resident Engineer were either condemned as useless or unfit for piles. [Letters of 1st, 8th, and 31st December, 1877, and 20th February, 1878, from Resident Engineer to Mr. Dawson, produced.] These show a total of 18 sticks condemned. Some, condemned as piles, have been used for walings with Resident Engineer's knowledge. I can't say how many. Others have been used about, but not in the work. Those condemned as useless have not been used in the work.

To Mr. Harris—I consider Mr. Dexter thoroughly competent, and he was very highly recommended. He was foreman on the dredger before I employed him. The diver was employed at \$5 per day, and for this had to make one dive if required. He got another \$5 if he made a second dive. The diver would go down three or four times in a morning for \$5 a day. His dress would not be off. McGirr brought outrageous charges against my foreman in or about October, 1878. I considered them. I spoke to Dexter on the subject, and told him of most of the charges. I looked into the time-book and checked the entries by some of the men whose time was entered, which disposed of some of McGirr's statements. This, coupled with the fact that McGirr stated that he had been keeping notes of the alleged frauds for more than a year previously, showed that his statement was not to be relied upon. I allowed Mr. Dexter to employ some of the Cofferdam men on small jobs for himself, when they had any spare time. Sometimes the men would be busy part of the day only, a great portion of the work being tide-work. The whole time of the men was charged to the company.

To Mr. Helgesen—I could not have prepared the puddling for the dam a year ago, because it must be used as it is made. Added to this, we had to remove the surface soil for backing in order to reach the clay. All this soil would have had to have been removed and wasted to get at the clay then. It could not have been piled up. If the filling had been ready after the first dredging it could not have been used. Pile driving, main trunk, commenced September 29th, 1877; continued to January 21st, 1878. It was then interrupted, recommenced, interrupted again, and so on. The very slight action of the water would tend to cause the falling in of the sides of the excavation. The banks of the cut were very steep, and would of course fall in.

(Signed) C. E. DAWSON.

APRIL 5TH, 1879.

THOMAS HARMAN, being examined, states:—

I have worked on the Cofferdam at Esquimalt, under employ of Mr. Dawson, from 1st June, 1878, to 3rd February, 1879. I was employed as submarine diver, and labourer

part of the time. I was employed by the day at \$5 for every four hours,—four hours being a day's work for a diver. The size and depths of the holes drilled in the rock at the shore end of the Cofferdam are: size, 3 inches in diameter; depth, 18 inches to 26 inches. I never signed a pay-sheet without knowing what was in it. Mr. Dawson was, as a general rule, on the works every day from a little before noon till about half-past five p.m.

(Signed) THOMAS HARMAN,
Submarine Diver.

JAMES LABRON was then examined as follows, on behalf of Mr. Dawson:—

I was employed on the Cofferdam at Esquimalt, as blacksmith. I commenced to work on the dam on the first day they commenced work there. I left working there two weeks ago to-day. I was employed there continuously from the commencement of the work up to that time.

Has Mr. Dawson done all in his power to complete that work? *Ans.*—I don't know but what the work might have gone ahead faster.

Do you know if there are two time-books there? *Ans.*—I don't know whether there are or not.

In signing pay-sheets I never looked over them. I was on the work when McGirr and Gray were there. Gray and McGirr bear good characters down at Esquimalt. I don't care about answering many questions because I don't want to leave myself open to any fines at law. I have heard that Gray and McGirr have been threatened with legal proceedings on account of the evidence they gave before this Committee.

Have the foreman and men not been often absent during the day from work when Mr. Dawson was away. *Ans.*—I don't like to answer this question.

I did not make rings for the tops of the piles. The rings for the tops of the piles and driving them were all made in town. I was at the pile-driver when quite a number of the piles were driven. Some of the timber that was used as piles, when taken out of the water, smelt badly from the worms that were in it. Mr. Dawson was not at the works regularly; that is not every day. He has been away a week at a time. Some weeks, during the pile driving, Mr. Dawson was there nearly every day during the afternoon. During other weeks he might be there two or three days out of the week. Some of the worm-eaten piles burst in driving. When they burst a bad smell issued from them, and it caused the men to move away from them. I cannot say how many of the worm-eaten piles were driven, as I was in the blacksmith's shop. For the biggest part of the time the foreman would come to the works soon after the men commenced work. He would afterwards leave for breakfast. He was often absent from the works. I couldn't say how long. There have been some of the men away at the foreman's house. I don't know what they were doing. I have been employed sometimes myself at Mr. Dawson's carriage during the time I was employed for the company. I was paid for the time I so worked, and rated on the company's time-book. I don't know anything about Dexter's ability as a foreman. Last summer there were about twelve or fourteen men on the work. There have been more men working during January and February last than were working before. I really don't think Mr. Dawson did handle the work properly. The work might have been done in eighteen months' time.

(Signed) JAMES X LABRON,
his
mark.

Witness—ELI HARRISON, JR.

EDWARD M. DEMEULLE, being examined on behalf of Mr. Dawson, states as follows:

I was employed on the Cofferdam. I took a small job to fit up two offices for them, before they started. I was the first man who went to work on the Cofferdam. I left about two months afterwards. If I had the job I should want two years to complete it in to make money. It was in July or August I went to work. I left the work because I wouldn't have anything more to do with it. After seeing the piece in the *Colonist* about the worm-eaten piles, I made it my special business to go down and see them. I found them newly pointed and perfectly perforated with worm holes at the points. I am sure two were pointed; perhaps three. They had been pointed within a week when I saw them. They were lying on the shore end near the Naval Yard. I am a carpenter by trade. Mr. Dexter asked me to appear. I know that McGirr roughly

blocked out a cabinet for Mr. Dexter, and put in three mortices for drawers. I finished it. Mr. Dawson told me, long ago, that there was no use pushing on the work, as he could finish it in time enough to start the dock. He said, also, "If they give out the contract for the dock he could finish it up any time," or words to that effect.

(Signed) E. M. DEMEULLE.

JOHN BOWLING, examined on behalf of Mr. Dawson, states—

I have been employed on the Cofferdam for one year and nine months. Commenced on the 7th day of May, 1877, and left 21st day of February, A. D. 1879. I first went there as a labouring man, and afterwards drove the engine on the pile-driver. Was not there when they drove the staging piles. I was mate of a sailing ship, the "Black Eagle," before I was employed on the engine. McGirr was employed before I went on, and Gray, I think, afterwards. Gray is a quiet man. I was there at the driving of the piles. The hammer was raised by the engine I drove. No rotten piles were driven to my knowledge. I saw marks of a few worms on some of the piles. There was a little stench from some of the piles which were worm-eaten. We signed a pay-book, and sheet beside, for our time. I never had any time put down to me that I did not put in, and had no money paid to me that was not due to me. I knew the amounts I signed for. I always thought I had too little instead of too much. I never complained that I had too little, I hadn't occasion to do so. The men were there regularly at work every day, except when on leave, and then they were not paid. I know that Sadleir did work in the town away from the Cofferdam—odd jobs, half an hour at a time. Mr. Dexter was away from the works a few times. I can't say much about this as I had to attend to the engine. When the piles were being driven, Mr. Dawson was generally at the works. There was no instance when he was there only two or three days in the week, to the best of my knowledge. I made overtime when I was on the dredger. I can't say why the work has been delayed—want of money I suppose. I can't say why the work was delayed; prior to last December we were in the dark as to the reason. I never told McGirr that I had signed the pay-sheet for more time than I had worked, or that I had received more money than was due to me. There are two time-books I think kept down there. Mr. Dexter has charge of them. I can't pass any opinion as to the time it would require to build and complete a Cofferdam, as I don't know anything about such work. Both Mr. Dawson and Mr. Dexter asked me to come here and give evidence.

(Signed) JOHN BOWLING.

WILLIAM STOTHARD, examined on behalf of Mr. Dawson, states:—

I was employed on the Cofferdam as labourer. I commenced to work on the dam in January, 1878. I worked for about three months, and then left the work and was absent for about three months, and then went back in June and worked until the works were stopped. I know nothing about the pile driving. I was on one occasion during my employment on the dam employed by Mr. Dexter to wheel some timber for firewood to his private house; it took me and another man about three-quarters of an hour. I don't know of any of the workmen being employed at Mr. Dexter's private house. I knew the pay-sheet to be correct whenever I signed it as far as my account was concerned. I think the clay could have been got out sooner. I am not aware that there was more than one time-book kept. Mr. Dexter told me that it was in evidence before the Committee that I was in the habit of signing the book for more time than I received money for. Mr. Dexter asked me to attend and give evidence.

(Signed) WILLIAM STOTHARD.

JOSEPH PORTLAND, being examined, states on behalf of Mr. Dawson:—

I was engaged to work on the Cofferdam, and I commenced three years ago, that is when the dam was commenced. With the exception of two months last spring (I left in April and went back in July) I have been at work there continuously till the works were stopped. I was employed as a general labourer. I assisted in driving the piles. I don't know of any of the piles breaking when being driven through^g being worm-eaten. When the hammer struck the piles there was a stench from some of them. The reason, according to my opinion, that the work was delayed so long was because there were

not enough men employed. I consider Mr. Dexter to be a competent foreman. Once in a while he (Mr. Dexter) would send me to his private house, from the works, to cut some firewood, during working hours. There was one of the workmen employed at Dexter's house—his name was Lewis Carter—but it was after working hours. Mr. Dawson was absent from the works for a week on two or three occasions during two years, that I know of. I signed the pay-sheet, being aware of the amount due to me being correctly entered in it. I saw two time-books there; one much older than the other. Mr. Dexter was there every day more or less. Mr. Dexter would come down in the morning, set the men to work, and go back to breakfast. Stothard gave me to understand that I was to attend and give evidence on behalf of Mr. Dawson. Mr. Dexter told me that he had read a copy of the evidence taken before the Committee, and that myself, Bowling, and Stothard had been charged with signing the pay-sheet for more time than we were paid for; and if such charge was made it is false. Mr. Gray is a man of good character, as far as I know of.

(Signed) JOSEPH PORTLAND.

HARRY NICHOLSON, being examined on behalf of Mr. Dawson, states:—

I have been employed on the Cofferdam at Esquimalt. I began on the 18th February, 1878, and worked continuously from that date till the work was recently stopped. I was employed as a labourer. I assisted in driving the piles. Some of the piles were a little worm-eaten. They did not, to my knowledge, break or crush when being driven. There was a stench from worms occasionally while they were being driven. I don't know why the work was not completed sooner. I cannot say if Mr. Dawson has done all in his power to complete the work. Sometimes more men could have been employed to advantage. I know of some of the workmen cutting wood for Mr. Dexter during working hours. I have known Mr. Dawson to be away three or four days at a stretch; once he was away about two weeks. The amount of money I received and the number of days I worked was always stated in the pay-sheet correctly, opposite to my name. The Resident Engineer was very attentive. The foreman used to come down sometimes a little before seven, sometimes a little after, in the morning. After setting the men to work he would go back to breakfast. Mr. Dexter asked me to attend and give evidence.

(Signed) HARRY NICHOLSON.

JOHN W. SADLEIR, being examined on behalf of Mr. Dawson, states—

I was employed as labourer on the Cofferdam at Esquimalt. I began work about the 9th December last, and worked continuously till the work was stopped. Had nothing to do with driving piles. I don't know whether the clay could be got out sooner or not. Two years ago, in the fall of 1876 or beginning of 1877, I was also employed as a labourer on the dam. I don't know of any of the workmen being employed off the works during the time I was there. Two years ago I, myself, was employed occasionally at other work outside of the work on the dam, but not to any extent. Whenever I got paid, I signed the pay-sheet, and I always saw the amount of money on the pay-sheet was right, but cannot speak further with respect to the correctness of the pay-sheet. I heard it was stated that I had been grooming Mr. Dexter's horse. Mr. Dexter told me of this statement, and asked me if I did not get paid for it. I did groom Mr. Dexter's horse sometimes, before and after working hours, and he paid me for it. Occasionally, in consequence of this, I would be behind time at work about the dam, but it did not amount to anything.

(Signed) JOHN W. SADLEIR.

APRIL 7TH, 1879.

MR. DAWSON resumed—

I desire to state that the excavation made by the first dredging, at the two ends of the dam, fell in very shortly after the work had been done.

Why was the work discontinued last month? *Ans.*—Pending arrangements with Messrs. Reed Bros., and to ascertain their intentions with reference to continuing work or not.

The immediate cause of the stoppage was that the men were led to understand that, even when the works were completed, it would be very doubtful whether the works would be paid for. Henry Saunders, the grocer, told the men that he had been given to understand that when the works were completed they would not be paid for. I asked Saunders, distinctly, whether he had been given to understand that, even when the works were finished, it would be very doubtful whether the works would be paid for. He said "Yes." I asked him if I could use his name. He said "Yes." This coming to the men's ears, they refused to work, and the work was stopped. I believe the conversation with Saunders took place on 24th March. The men left on the 22nd (Saturday). I had a conversation with him on the 22nd, and he then told me he could not furnish the men with any more supplies, as he probably would not get paid. When the work was stopped last December, I informed my principals, and suggested that payment of the men should be provided for. They have not, up to the present time, told me their reason for not paying. I think I understand their reason. They might have difficulty in raising the money under present circumstances. They might have reason also to think that the Government might reconsider things. There is about \$30,000 money value under the control of the Government now. Up to the date of last payment by Government the firm had advanced very largely. I mean by very largely, that they had advanced at least \$12,000, probably more.

Did you ever tell any person that you did not intend to push the work, but to lie by and see what might be done about the Dock, and then take your own time about it, as you could finish at any time? *Ans.*—No; and there is not the remotest foundation for any statement of that kind; such a thing would be positively ridiculous.

I never told Demeulle that, when talking about the works. I have not got a copy of the evidence, nor has Mr. Dexter. I have read a copy of the evidence given to the Committee on a former occasion. I refuse to say where I got that copy. I won't say whether I got it from Mr. Vernon or not.

Do you know that two or three piles were pointed after they were condemned, and driven in? *Ans.*—Not to my knowledge, and I don't believe they were.

When you say that, were you so constantly down on the works that it could not happen? *Ans.*—Yes; and even if I had been absent for a week I could have told whether such piles were driven or not.

Are you aware that the stench from some of the piles, after they were struck with the hammer, was almost unbearable? *Ans.*—I am aware that such was not the case.

Are you aware that the walings in several instances were badly worm-eaten? *Ans.*—None, sufficiently to render them unsuited to their purpose.

Will you state, positively, that some of the piles were not nearly honey-combed with worms? *Ans.*—It depends upon what the term "honey-comb" implies; if it is intended to imply that the strength of the timber was seriously impaired by the number of worm holes in it, I can positively say no.

Are you aware that one of the workmen was almost daily employed in working for a relative of the foreman about the house and in the garden, and was paid for the time he was so employed by the contractors? *Ans.*—No; but the workmen were permitted to do small jobs for the foreman when not otherwise engaged or required.

Sadleir, one of the workmen, told me, for the work he had done, he had received payment from Mr. Dexter. The man did not receive payment also from the contractors for the same time. Some of the men worked at night, and sometimes on Sundays, and received allowance for such time during the week. Never offered to give McGirr work in consideration of his giving up his diary. I asked him to either destroy the diary or to give it to me.

Did you not state, at the time you asked him to do so, that it contained entries about your work, and it was none of his business to meddle? *Ans.*—What I said to him was, that I had looked into these charges against Dexter and was satisfied they were unfounded, and that it was not his business to keep a diary and act as a spy on the foreman; and that I believed that there was more in it than appeared, and that his keeping these notes convinced me that some parties were endeavouring to trump up charges against the manner in which the work was being conducted.

McGirr did tell me Dexter was not doing his duty towards the contractors. I dismissed him after the conversation about the diary. I did not tell McGirr that I could not dispense with the foreman at any time. When McGirr first brought these accusations I was greatly shocked, and until McGirr made certain statements I thought there

was something in the matter. I then said to McGirr, this is a dreadful state of things, because I don't see how I could do without Dexter. I made enquiries into the truth of these charges against Dexter. I made enquiries as to false entries in the time-book. I also made enquiries as to the men being employed off the works. These enquiries were made indirectly, so as not to cast suspicion if none was deserved.

Did McGirr make a full complaint? *Ans.*—He told me the men had signed for more wages and time than was due to them, mentioning some of the men by name. He made nearly all the charges to me that he now states he made.

At that time I had about eighteen men at work at the dam. The conversation with McGirr took place about the end of October or beginning of November.

What time elapsed between the complaint of McGirr and his dismissal? *Ans.*—I have not my diary here, but will answer this question by note to the Committee.

Mr. McGirr did not tell me the work was carried on so badly that he could not, as an honest man, stay any longer, although he could not complain of his treatment. I produce the book in which the entries were made respecting the quantity dredged and passing through the punts. Some of the entries are made by the foreman, and some by me. The punt was so marked that, by referring to the diagram in the book produced, it showed the amount of earth dredged and passing through it. Before the punt was emptied a note was made by the foreman, or man in charge, of the height of the earth in it. The men worked a great deal of extra time during the dredging. The Resident Engineer fixed the price of the extra work done, after estimating its value. I made an estimate as well as the Resident Engineer, and he and I discussed the matter and agreed on the price for extra work. I accepted his prices, although I considered them insufficient, to avoid difficulties with the Government. The additional and extra work done, up to the end of 1878, amounted to upwards of \$12,000, together with about \$35,000 of works erected under the contract at schedule prices, but not in accordance with the original plans. The \$12,000 is over and above the contract limit as to price. The amount saved to Government, by not shoeing the piles, is about \$3,200. The fact of these shoes not having been required, is a proof of the excellence of the timber used.

Do you know, of your own knowledge, that every pile was driven home and to the depth laid down on your working plan? *Ans.*—Yes.

Do you know this from personal superintendence in each case? *Ans.*—I did not see each pile driven.

Did you get your information from the foreman? *Ans.*—Yes; and I also had a check on each pile, which was numbered and marked so as to show its length before driving, the date of delivery on the works, and the length of the log from which it was cut.

I wish to make the following statement:—

A man, named W. C. McCord, states that he applied to the Chairman of the Committee to be examined, and the Chairman took a note of his name. He made more than one application, and has now gone across the Sound. His first application was about three weeks ago, and I believe that if he had been examined he would have refuted McGirr's statements. I also tender a letter from McCord on the subject.

[Memo.—Admission of letter refused by the Committee as not being evidence.]

Mr. Dawson—I wish to state, with reference to McGirr, that one reason I had for not believing his statements was, because he told me the foreman wanted him to cut off small sections of the piles for firewood, and that the piles were driven that much shorter. There was plenty of waste timber for firewood constantly on hand. Had such a thing been done, I could not fail to detect it at once.

Mr. Dawson puts in evidence Statement on Alterations and Additional Works, signed by him, dated 7th April, 1879, and marked B.

(Signed) C. E. DAWSON.

APRIL 8TH, 1879.

MR. DAWSON'S EVIDENCE CONTINUED.

I have something else I wish to state; I think there can be no doubt but I am entitled to know the exact charges brought against me; that I am also entitled to cross

examine the witnesses, and that I am entitled to appear before the Committee by Counsel.

I asked you yesterday how Mr. Bennett arrived at his estimate of the value of the extra work, as the answer was not clear, I would repeat the question as to how the estimate was arrived at? *Ans.*—I am not aware.

Did not Mr. Bennett go over time books and sheets, and bills for labour and material, with you and calculate cost of them? *Ans.*—I can't say positively yes or no to this question. Mr. Bennett had access to all my notes, but he did not make any calculations in my presence.

Did he not show his calculations to you when made, and inform you that they represented the actual cost? *Ans.*—No.

How then did you compare your estimate with his if he had made no calculation to compare with, or if he did not show you his figures? *Ans.*—By comparing his result with mine.

Did he not agree with you that 25 per cent. should be added to his estimate of the cost of the work? *Ans.*—No. I have this explanation to make: He discussed with me my estimate, but I had no opportunity of discussing his. He has access to all my papers, but I have none to his.

Did you or he never, on any occasion, discuss the question of 25 per cent. on cost? *Ans.*—There was never any question of adding 20 or 25 per cent. to cost. As I understand it, the 25 per cent. is supposed to go to Messrs. Reed. What I wish to explain is, that I understand the 25 per cent. is for profit.

Was there any discussion between you and Mr. Bennett about 25 per cent. on any occasion, and with reference to the extra work in any way? *Ans.*—There never was any question of adding 20 or 25 per cent. profit to any of the extra works. My recollection on this subject is positively correct.

What was the date that McGirr made this complaint to you, and the date of his dismissal? *Ans.*—The complaint was made against Dexter on or about the 15th day of October, 1878, and McGirr was dismissed on or about the 31st October, 1878.

What was your language when you, as you say, dismissed him? *Ans.*—I will not have a spy in my employ on the works.

Are there one or two time-books on the works? *Ans.*—One only, and the foreman only has now charge of it, and he only (subject to my supervision) had charge of it all along.

The charges against the Contractors were here fully read to Mr. Dawson, who then made the following statement:—

In the first place McGirr had no right to look into my plans, time-book, or diary (though he says he had full access to them); if he looked into them, he did so surreptitiously, and had I known it, I should have dismissed him on the spot, just as I should if I had found him peering into my private letters. My arrangement with my foreman included the providing him with a house to live in. McGirr says Dexter never came to the work before 8, 9, and 10 o'clock a. m. Gray says he came at 7 a. m. McGirr says he marked the timber, and that Dexter took his measurement. I wish to call attention to this statement, as it is important, as showing that if timber was used of shorter lengths than was represented, McGirr must have marked the timber falsely. McGirr, during the greater time that he was in my employ, occupied, rent free, a cottage of Messrs. Reed Bros., and continues to occupy it at the present time, notwithstanding my having required him to vacate it. He defies me to eject him. He has had it for 5 months without paying any rent for it, although not in my employ. Mr. McGirr implies that he has permission from the Government to hold on to that cottage, though it is on land, to the use of which I am entitled, and which I desire to have. McGirr's occupation on the work, when the drilling was going on, was at a considerable distance from the scene of operations, so that he was not in a position to judge whether the men were constantly at work or not. The man Gray, whose evidence has been taken, was only occupied on the works 38 days. With regard to a mechanic being employed in charge of the hoisting lever of the friction gear of the dredging apparatus, a slight blunder on his part would have put in jeopardy the lives of several men.

In answer to Mr. Helgesen—Considered Mr. McGirr a competent man, and therefore employed him there.

The dredging machine was constructed and repaired in Victoria and not in Esquimalt. Kennedy, who gives evidence, says he was employed as a carpenter; I produce the time book, which shows he was employed as a labourer, not as a carpenter, and that he can't

write his own name. He was sometimes working on timber, but generally digging. On the 15th July, 1879, when the Committee visited Esquimalt, no more men were employed than on any other day. In support of this statement I produce the time-book. The statement handed to the Committee on Saturday, is principally taken from a statement forwarded by me to Messrs. Reed Bros.

When will you resume work? *Ans.*—I am in communication with Messrs. Reed Bros. on the subject, and I am in hopes of receiving instructions to proceed, and the means of doing so.

Are your hopes well founded? *Ans.*—To the best of my belief they are, but the correspondence with Messrs. Reed Bros. gives me no positive assurance. I believe they are in grave doubt as to the future action of the Government, judging from the statements made in the House and otherwise.

Did you ever state to Demeulle, one of your workmen, two or more years ago, that you were not going to put on an extra force of men, or more plant and machinery, to push the work on, until you knew whether the dock was going to be built, as the plant and machinery placed there would become the property of the Government? *Ans.*—No.

Demeulle's statement was then read to Mr. Dawson, who states in answer to it:—

I may have said to Demeulle that it was not in the interest of the Government to push on the work, because it could certainly be finished long before works on the dock would be commenced. I have repeated the same thing to many people—meaning that the Government would be out of the cost of it a great deal sooner than was necessary.

Were you in a position to know whether the Government were prepared or not to commence dock construction at any specified time? *Ans.*—I was aware that the plans for the main dock were not finished. I reckoned the time it required for their being sent out; the time for their examination and approval; for communications to that effect to England; for time for calling for tenders, and for the tenders to be given in and received; and for the contract to be entered into and commenced; and was convinced that in the meantime the dam would be fully completed. I was not aware then of all the difficulties to be encountered, and the changes that were subsequently required.

(Signed) C. E. DAWSON.

ROBERT DEXTER, being examined on behalf of Mr. Dawson, states:—

I have been foreman on the Cofferdam ever since it started; since July, 1876. The great cause of delay I should say was on account of alterations of the plans, and the original time limit was too short with the present appliances. I mean by the present appliances that in the contract it provides that certain machinery and materials for carrying on the works should be supplied by the contractor. I don't know whether the contract limited the contractor to the use of certain specified machinery and appliances or not. We have employed as many men from the commencement as we could make use of to advantage. One alteration as to the driving of one row of piles was not sanctioned until a year after it was suggested. I don't know when it was sanctioned. If no alterations had been made in the plans the works could have been completed in eighteen months. If I had had the contract I could not do more than Mr. Dawson did under the circumstances. I know McGirr; he was employed as a carpenter. He was not in the habit of doing any other work except carpenter's work. He did, some time ago, assist a little at drilling. When we were last drilling, he was employed at different places around the works; sometimes where we were drilling, at other times in different places. McGirr and two or three of them cut and prepared the piles. He never brought to my notice that any of the piles were shorter than they ought to be. I had two or three other carpenters—Demeulle, Gray and Carter. We had no carpenter named Kennedy. I have devoted my time very closely to the work, sometimes twenty hours out of the twenty-four. Was there sometimes at 7 a.m.; sometimes earlier, at 4 or 5 in the morning, according to the state of the tide. I used to come down, set the men to work, and then go back to breakfast. The puddling could not be used sooner, because some of the upper layer had to be used for backing. We used some of the piles condemned by the Resident Engineer. We didn't drive any of them in the dam. I have used a great many of the condemned piles for upper wales, but not for piling. We have never had any piles smash

up through being worm-eaten. The pile known as the "Dufferin pile" was pulled up; but before it was pulled up a piece was sawn off, about six feet. Two inkstands and a cabinet were made of it. Mr. Bennett got one inkstand, Mr. Dawson another, and I got the cabinet. The inkstands were made by McGirr, and the cabinet was blocked out by McGirr and finished by Demeulle. Demeulle was not working on the dam then, and I paid him for it. There was a stench from some of the piles when driven, from shell-fish either in them or outside of them. There was no trouble from worms when boring holes for the tie bolts. There was no clay put in the scarf in order to hide the worm holes. McGirr was paid \$3.25 per day, and latterly \$3.75 per day. Making the cabinet only took McGirr two hours; he was paid for that time by the contractors. I have made no threats of criminal prosecutions against McGirr, or any of the men, for the evidence given by them. I have never seen a copy of McGirr's statement.

McGirr's and other evidence, referring to charges against Mr. Dawson and Mr. Dexter, were then read to Mr. Dexter, who thereupon states:—

The evidence so far as it reflects upon me is wholly incorrect. The statement with respect to the work on the cottage is true. The labour on the cottage was paid for as follows:—I paid \$55 out of \$126 out of my own pocket. I had no right to pay a cent of it. The time of the men when working on the cottage was partly paid by the contractors. My hours at work depended on the tide, but my hours were generally from 7 a.m. to 6 p.m., and I often worked till 12 at night, for which I got no extra pay. I have one time-book only for the men's time. The entries in that time-book, to the best of my knowledge, are correct, and have not been altered since originally made. I never allowed any men time which they had not actually put in. There never were entries on the pay-sheet of moneys which the men did not get. I never borrowed the men's money when they were paid, and I never got the men to sign a blank pay-sheet. I never overpaid the diver as has been alleged. McGirr had not access to the books, plans, or diary. Had I caught him inspecting them I would have reported him to Mr. Dawson. At times McGirr was employed on the hoisting gear. When I had occasion to come up to town, McGirr had charge of the works. He even then had no more right of access to the office than any of the other men. The office was generally locked; more times locked than open. I don't think I left him in charge of the works more than four times. The office would be open when I was there and locked when I was not there. I had occasion constantly to refer to the plans. I may state generally that I must flatly contradict McGirr's statement both as to my continued absence from the works and as to the charges he makes against me. Mr. Dawson used to come on an average five times a week; one time he was away about five or six days. He used to come down about 11 or 12 o'clock, and sometimes at 10 a.m., according to what he had to do in Victoria. There was no watch set to announce Mr. Dawson's coming. I kept a horse. One of the men used to groom it, before he went to work and after his work was over. I paid him for it. I paid the men. Once or twice Mr. Dawson paid them. Generally I paid them myself. Mr. Dawson made out the pay-sheets. Different men had charge of the dredging punts. Attending to the friction gear was the most important job on the works; it often took two men to hold it. It was my business to see the amount the punts contained before being emptied, and I never failed to do so. The reason for the second dredging was that there was a bank of shells and rubbish at the east shore end, 300 cubic yards, which caved in. It was a long time after the first dredging before we began drilling for the shore piles. I don't think that the action of the water drove in a great deal of gravel during that time. There was no regular hand for taking charge of the punts, but before they were dumped I measured them. Mr. Bennett asked me on one occasion how I got at the contents of the punts, and I showed him the diagram. I was dredging master on the Victoria dredger before being employed at Esquimalt. I have been foreman in mining claims for the last 20 years, and before that was at sea.

Is it true that two or more condemned piles were taken and pointed on the Naval Yard side and placed in the dam? *Ans.*—No.

I could not pick out any particular pile in the dam if asked.

(Signed) ROBERT DEXTER.

18TH APRIL, 1879.

MR. DAWSON resumed :—

I wish to correct my statement about recommencing the works. On the 8th inst. the statement I made was based on a cipher telegram I received that a.m. On further examination of the telegram I believe it has reference to making arrangements for payment of wages and other pressing liabilities only, and I am therefore still in doubt as to Messrs. Reed's intentions of prosecuting the works or not.

The depth of the holes for the rock piles (shore end) is from two to three feet deep. With regard to extra works, on none of them would the prices fixed by the Resident Engineer show a profit of more than ten per cent., and on most of them the prices would leave no margin at all. The prices fixed by Mr. Bennett were not fixed before the work was being done, but afterwards.

Mr. Dawson proceeded to read Statement B, and with reference to paragraph 1 of that states :—

The first extension of time given was previous to any works at all being commenced, it having been found necessary to take fresh soundings, prepare fresh plans, and make out fresh bills of quantities; and produces letters dated June 7th, 1876, from him to the Chief Commissioner of Lands and Works, and the reply thereto, dated 20th June, 1876. To contradict any statement that contractors are liable to any errors in drawings or specifications, I refer to and read article 6 of the specifications, showing that work must be strictly in accordance with contract drawings or any other drawings supplied by Government.

I also read and refer to article 11 of those specifications. I call attention to article 5, as to levels, and read same, showing that contractor is liable for inaccuracies in the *levels* of the ground. As regards the borings and datum lines the contractor is not responsible for any errors or inaccuracies, the information from specifications being positive on this subject, and the Government are therefore liable for all the consequences resulting from this information being incorrect.

Mr. Dawson reads articles 3 and 4 of specification.

To Mr. McIlmoyl—I was unable to test the accuracy of the levels or bills of quantities. Messrs. Reed Bros. tendered in England. It is usual for contractors in making up their tenders to assume the correctness of the bills of quantities provided.

To Mr. Helgesen—The Resident Engineer has given certificates for all works executed up to the end of the year, and has not refused certificates for any work executed.

I wish to call attention to the proportion of the extra work to the general work under contract, to show the impossibility that existed to carry out the original designs. I have repeatedly protested against the incorrectness of the plans and specifications, and I have shown that I am not responsible for them. If Messrs. Reed Bros. desired to be represented on the spot when the contract for the dock was given out, it would be much more to their advantage to keep the agent here only at the expense of his salary, than to allow all the expenses of the contract to be running on, and to be out of the large amount of money which would be due to them on the completion of the works. Mr. Bennett has made no complaint whatever with regard to the progress made since 8th February, 1878, as he stated emphatically in his letter of that date he would do should he find it necessary.

Did Mr. Bennett ever complain about the slow progress of the works before that date? *Ans.*—He never made any complaint to me of the slow progress of the works.

Did the late Chief Commissioner of Lands and Works do so? *Ans.*—He has made complaints, as his published letters will show.

I refer to the letter of the 8th February, 1878, written by Mr. Bennett, to show that he has had no complaint to make since that date, and that he has not been consulted on the subject with reference to the stoppage of payment. I also wish to call attention to the fact that the contract drawings were prepared in England, before the Engineers, Messrs. Kinipple & Morris, had visited the site.

The matters in dispute between the Government and the Resident Engineer and the contractors are on purely technical points, and should be examined into by Messrs. Kinipple & Morris themselves, especially as they are named in the contract as eventual arbitrators on the matter in dispute. With reference to the completion of the works, the outlay will be very large indeed, as a large number of hands can be employed, and

for ordinary labour alone upwards of \$10,000 will be required. Other expenses will be equally high in proportion.

Mr. Dawson produces plans of present construction to show that alterations have been made on every point from the original plans.

(Signed) C. E. DAWSON,
Agent for Messrs. Reed Bros. & Co., London.

APRIL 19TH, 1879.

MR. BENNETT, having been examined, states :—

I arrived at my estimate of the amount due for extras to the Contractor, by carefully going through the time-book with Mr. Dawson, and thereby found out amount due for labour, to which sum I added 25 per cent., which amount I considered would give the Contractors from 10 to 15 per cent. profit. Mr. Dawson was not paid this profit on all the extra dredging, but only on about one-fourth of it. Mr. Dawson was there constantly while the piles were being driven. He may not have been there every day. He was not absent for any lengthened period—say a week at a time—during the work that I can remember. I ordered slabs to be put on some of the piles, as some of them were smashed on the head, and some of them were slightly cracked, to protect them from the weather. I don't remember how many of the sticks were condemned. I took the number and marks on the piles, and notified the contractor's agent by letter. Some I condemned verbally, and ordered them not to be used. Some few of the condemned sticks I allowed to be used as walings. I condemned at least a dozen sticks verbally in addition to those I condemned by letter. Some of these sticks have been used for temporary works, such as staging, some in the tramway. I think Mr. Dexter was fit for his position. I don't know whether he was a mechanic or not; he certainly has displayed some mechanical genius. I am not aware that some of the piles, while they were being driven, burst through being worm-eaten. I can't say whether this was so or not; it is highly improbable that it should be so. I do not remember what particular man had charge of the punt during the dredging operations. I was present myself, and could tell when the punt was loaded or part loaded. I believe Mr. Dawson clearly understood, from the discussion between us, that 25 per cent. should be added in the cases I have mentioned. Twenty-five per cent. addition to the time-book labour for some of the extras, was freely discussed, and was objected to by Mr. Dawson as being too low. The original surveys for the Cofferdam were not correct. The borings were incorrect, and the difference in the tides incorrectly stated. To a certain extent I consider the Contractor was responsible, even if the borings were incorrect. I am not aware that the Provincial Government were notified of the incorrectness of the plans. I have complained, both verbally and by letter, of the delays to Mr. Dawson. I complained during the last 9 months, and prior to that. I have been urging Mr. Dawson, both before and since February 8th, 1878, to get on with the works. I can't say that the late Chief Commissioner did not follow my instructions with regard to the works. He seemed disposed, however, to grant the third extension of time; that was when I wrote the letter—that if further time was to be granted, it might be interminable. I was not consulted by the late Chief Commissioner at all on the first extension of time. As to the second, I had nothing to do with allowing it, but I did not put my foot down on it. I sanctioned the extension to 31st July, 1877, because I knew, from the condition of the works, that they could not be completed before that date.

Admitting that all the plans and specifications would have required to have been changed in every particular, how long should the work have been completed in? *Ans.*—Knowing, as I do now, the difficulties as to extra dredging, &c., the work should have been completed in eighteen months—say in August, 1878; this would be very liberal.

In February, 1877, Mr. Dawson must have known of many of the difficulties which could not have been anticipated before, and was therefore in a position to judge of the period of time he required to finish the works. I consider there was insufficient forethought shewn in the construction of the works. In a work of that kind you should, while doing one part of the work, prepare for another. The contractors did not do so in this contract, hence a large portion of the delay. I don't know what Mr. Dawson

means by stating that the matters in dispute are of a purely technical character. The refusal to grant a third extension of time is not a matter of a purely technical character. Some alterations have been made in the plans, but they have been made to make the works easier for the contractors; hence alteration of original plans forms no ground of complaint, and the contractors have been rather benefited instead of being losers thereby. When payment was stopped in beginning of December, 1878, Mr. Dawson might have put on about 50 additional men. In fact 60 or 70 men might have been employed to advantage. With regard to remark No. 2, in statement on alterations, put in evidence by Mr. Dawson, I wish to state that the reference to spoon-bag for dredging was merely a suggestion to the contractors made in the specifications. The contractor did not need to make use of such a suggestion unless he chose, and Mr. Dawson did not avail himself of it in the present instance; it was not at all likely to mislead. I have been on the works almost daily from the commencement. It was not necessary that I should be constantly there. Sometimes I went there in the morning, sometimes in the afternoon. I was away once for a week at a time. I did not consider it necessary to leave any one there in my place. They were dredging then I think.

(Signed) W. BENNETT,
Resident Engineer.

D. E. DAVIS, being examined, states:—

I was employed on Cofferdam works. I commenced on 25th October, 1877, and left about middle of March, 1878. I am a framer. Mr. Dexter employed me. I helped to point the piles. Some of the piles were good, and some pretty bad; I can't say how many were bad. I refer to bad ones that were driven. There were 12 or 15 bad piles driven; there might have been more. The timber was badly worm-eaten. I nailed on some of the slabs on the heads of the piles; they were placed so as to cover a bad pile, being nailed on a good one on each side of it. Some of the piles shivered at the ends. This might happen with a good one. There were some of the piles so full of dead worms, and on account of their shooting out when the hammer fell, there was a bad smell. I saw Mr. Dexter get sick from the stench when we were pointing the piles with axes; it was hard to stand it. The pile we were driving was placed in the centre of a raft about 25 feet long; we had to get as close to the edge of the raft as we could go, to avoid the worms flying into our faces. We pointed a good many piles which I considered unfit for a work which required strength. Some of the piles were numbered longer than they really were. Some I numbered, and some McGirr numbered. It would be easy to find the rotten piles by trying them with an axe. The walings were very badly worm-eaten. I don't think the walings will stand much pressure, they are so rotten. Mr. Dawson was not at the works every day. Some days he would come down about 11. I could not be positive when he was there, and when he was not. When the men were not employed at certain work, on account of the tides, they could have been employed at other works. In July, 1878, and for part of the time since, 50 men could have been employed to advantage. Mr. Dexter said he could have carried on the work much faster if Mr. Dawson would have allowed him. I have worked a good deal on bridges and heavy work where numbers of men were employed, and think that Mr. Dawson did not employ the men to advantage, nor in sufficient numbers. The men had access to Mr. Dawson's office at any time after Dexter came down in the morning, as it was open. I used to go there for tape lines and other things myself. There was no means used to prevent the men going in; in fact men were sent in from time to time for one thing or another, and any of them could have looked at the time-book if they had wished. I signed a blank pay-sheet. I can't say if on more than one occasion. Mr. McGirr repaired Mr. Dawson's dog-cart at different times. I knew McGirr as a foreman in Canada; he had charge of a lot of men there, and the handling of some thousands of dollars, and was of good standing; he was foreman for Thomson, Smith, & Sons, Lumber Merchants, Toronto. I know McGirr is a good hand at working in timber. I don't know how Dexter is at timber work. I left the works, as I considered the pay too small. I left of my own accord. I worked at works, other than at the Cofferdam, for Dexter. Another man and I built a chicken-house and side-walk for him. There was no reason why I should not have been working on the dam at that time. I was paid for the work so done by the contractors. Got my usual month's pay for the month

during which I did the work. Others of the men worked for Dexter, and some for Mrs. Nunn, during working hours. When Mr. Dawson arrived in the town, the men would leave the work they were doing for Dexter, and go to the Cofferdam; they got there before he came. Part of the Dufferin pile was made into a cabinet by McGirr for Dexter. I think if Mr. Dexter had been left to himself without Mr. Dawson, he would have got on much better. I think that even the few men who were employed, could have done twice as much work in the time as they did. It was just a matter of killing time; we used frequently to talk about it, as we had plenty of time to talk, and not much to do. Sometimes I was cold waiting for something to go on with. Mr. Dawson seemed as if he understood the thing well enough as an Engineer and Draughtsman, but seemed to lack practical knowledge.

(Signed) D. E. DAVIS.

Mr. MCGIRR, being examined, states—

No. 2 pile raft was considered a bad raft. They did not know in the office when we took a stick from the raft No. 2, or rafts No. 1 or No. 3, with reference to the 12 by 12 timber, which was the general size in the rafts. The piles were sealed off from the plan, and no allowance for cutting off the heads of the piles after being driven. Some of the walings in the upper row are not of half the strength they should be. With regard to the piles on the shore ends, Mr. Bennett could not find out the numbers of the sticks, as they were cut in sections of two or three pieces each. He could only have found out from me, and my instructions were not to give him any information. Mr. Bennett marked these piles with chalk, as condemned, and they were afterwards used. With reference to some of the 15 by 15 timber in No. 2 raft, Mr. Bennett came down to the works and took myself and Dexter with him, and made me spot a lot of those timbers, and they were marked bad. He never got the numbers of those sticks that I am aware of. Mr. Dawson came down a few days after and asked if Mr. Bennett had condemned those sticks. I told him he had. Mr. Dawson said it was absurd, and that he should not consider them as condemned as Mr. Bennett had not given in the numbers of them. These sticks were afterwards used, principally as gauge piles in the abutment row. The conversation about the diary took place after the alleged dismissal of myself, *i. e.*, on the 12th day of November, 1878. I was never discharged by Mr. Dawson. I used to work off and on as required; would be sent for when wanted. I never went back after that conversation, in the course of which I told him that I didn't intend to work on the dam any longer, under any consideration. During the conversation with Mr. Dawson, on the 12th October, he stated to me, in effect, that he did not allow wood and coal to Dexter, or men to be employed off the works; and said that he knew blank pay-sheets had been used for August and September. This conversation I took a note of on the same day. On the 12th November, 1878, I had the second conversation with Mr. Dawson. He called me into his office when passing. He said he had spoken to Dexter about what I told him on the 12th October, and he was satisfied with Dexter's explanation. He said he had pointed out the mistakes in the time-book, and Dexter admitted they were wrong, but said he had forgotten them in the previous month's time. I told him if he was satisfied I was, but the last month's time was worse than the one I had shown him, but Mr. Dawson did not want to know anything more about it. I then asked him if I was to have any more work. He said certainly, for the sluice gates had to be put in, and I would be needed at that time. I then told him that I did not think I should get any more work, as it was reported he (Mr. Dawson) had received an anonymous letter making charges against Dexter. He (Mr. Dawson) then told me that he had written this letter himself, as that was the only way he had of accusing Dexter without fetching my name in, and that he did not want to do that, as he wanted me to work. After holding out prospects of work for me, he then told me that he wanted me to give him up my diary, or else to erase everything that had any reference to the dam. I refused to give him the diary. I also told him he could use my name freely with regard to what I told him about the dam, for I would not have my name mixed up with anonymous letters. I took a note of this conversation, and find it in my diary. With respect to the cabinet made from the Dufferin pile, I was at work on it nearly three days, and not two or three hours only. In the spring of 1878, there was a small book kept by Dexter for the same period of time, and for the same men, as the usual pay-book which the men signed. They did not sign the small one. The man who groomed Dexter's

horse never put in a full day on the works while so engaged. With respect to the 300 cubic yards of earth said to have been dredged up by the second dredging, the earth referred to was never measured—it never went into the punts—it was dumped on a roof, running on a track resting on the gauge ties of the dam, from the dredger, and dumped part inside the dam and part outside. I was on the brakes about three months, and during that time saw the punts every day, and frequently helped to unload them. I never saw them measured after the first two or three days. I never saw any marks on or in the punts, and never saw a diagram of the punts used by which the measurement could be ascertained. Of course, if the punts were filled each time, the quantity of their contents would be known; but they were rarely, if ever, filled. There was always plenty of work for the men, irrespective of the state of the tide, if the work had been carried on in a proper manner. Mr. Dawson always treated us well. I kept the diary, as to affairs occurring on the works, with the express intention of showing clearly to Mr. Dawson the improper manner in which the work was being carried on.

(Signed) W.M. MCGIRR.

B.

ESQUIMALT COFFERDAM.

STATEMENT ON ALTERATIONS, ADDITIONAL WORKS, DIFFICULTIES ENCOUNTERED, &c., &c., SINCE THE GRANTING OF THE SECOND EXTENSION OF TIME LIMIT.

The first extension of the time limit, to February 1st, 1877, was granted before the works were commenced, and for reasons unconnected with any action of Messrs. Reed & Co. The second extension should, therefore, be considered practically the first, as far as Messrs. Reed's responsibility is concerned.

All works executed during first extension were alterations from contract of more or less importance.

DURING SECOND EXTENSION OF TIME (TO JULY 31ST, 1877).

Dredging operations had not commenced when the second extension was granted, and the Chief Commissioner was informed that the dredging machine was only under construction.

Before the dredger was ordered, it was found that the dredging operations would be of a different nature from that described in the specification, in which the use of a "spoon-bag" was all that was considered necessary.

This statement was calculated to mislead as to the importance of the dredging operations.

When dredging did commence, it was found that the material to remove was quite different from that described in the specification.

Difference in nature and quantity of material dredged out.

The material to be removed was of such a nature, and of such quantity, as to make the dredging a work of very considerable magnitude, requiring great outlay and contrivance, and a great extra expenditure of time and money, instead of being a matter of small importance as the specification describes.

This became the more apparent as the work progressed, and is demonstrated by the following figures, viz.:—

	Cubic yds.
Dredging executed to June 30th, 1877	784
Do. do. Sept. 2nd, ,,	770
Total.....	1554
Extra executed, April, May, and to June 19th, 1878	496
Total executed to July 30th, 1878.....	2050
(N. B.—More still has been done since.)	
Total dredging as per description in specification	550

This large amount of dredging to do, fully accounts for the time consumed until September 24th, 1877, when the bottom was passed by the Resident Engineer as ready to receive the piling.

Extra Cost.

The altered circumstances of the dredging put Messrs. Reed to great extra outlay, not compensated for by the price named for the dredging.

More than five months' work to September 22nd, 1877.

The Resident Engineer reports that, from April 13th to September 22nd, 1877, the dredging machine was constantly at work—on many days from daylight to dark. Upwards of five months' constant work on dredging alone at this period.

N. B.—The difficulty and time required to dredge out four feet in depth instead of two feet, is in greater proportion than the difference in the cube of material removed.

Promise of extension of time.

Before the expiration of the second extension of time, the Government had considered the matter of the unforeseen difficulties met with and the time expended, and then satisfied the claims of Messrs. Reed's agent by promising an extension on condition that the works should be carried on energetically during the few weeks following the expiration of the second extension.

This condition was complied with by the contractors.

Withholding advances.

The Government persistently withheld contemplated advances on materials, to great detriment to the contractors.

All requirements fulfilled.

All requirements of the contract had been fulfilled by Messrs. Reed when the second extension of time expired on the 31st July, 1877.

AFTER EXPIRATION OF SECOND EXTENSION, VIZ., FROM 31ST JULY, 1877.

The bottom having been passed by the Resident Engineer as ready to receive the piling, these operations were commenced on the 29th September, 1877, no time having been lost (see Resident Engineer's Report, 31st December, 1877); but the difficulty and time required to pitch and drive all the piles was greatly increased, to the injury of the contractors, for the following reasons, viz.:—

Datum lines false.

The datum lines for the erection of the Cofferdam, as supplied by the Government, and upon which all the calculations concerning its construction and cost were based, were found to be wrong and misleading as to actual fact.

Alterations in level of walings affect piling operations.

On account of the tide level an alteration was made by the Resident Engineer raising the level of the walings, which it was found impracticable to put in as originally shewn. It was also found impracticable at that time to erect the fourth tier of walings, and great difficulty was found in erecting the third tier, even at the altered level.

In consequence of having to drive the piles with only the third tier of walings (and these at a raised level) for guides, instead of the fourth tier as per specification, the difficulty and time required to drive the sheeting piles was greatly increased, as stated above.

N. B.—Difference in level of guides about 7 feet.

This was a matter beyond the control of the contractors, and is another of the principal reasons why the works have taken so much longer than was originally anticipated.

Extra depth of dredging affects piling operations.

In the next place, the depth of material removed by dredging was in some places 2 feet 6 inches, and in some 5 feet more than the specifications and plans indicated, and,

in consequence, the allowance made for driving purposes when the timber was supplied was reduced by a proportionate amount.

This was another unforeseen difficulty beyond the control of the contractors, that further greatly added to the time required in carrying out the works; for not only had timbers of shorter length out of water to be used than was reckoned upon, but a great portion of the timber provided had to be replaced at a loss of time and at great expense to the contractors.

(Re-pitching and driving piles, see Resident Engineer's report, 31st December, 1877.)

N.B.—As regards fault found with progress of piling, see Mr. Dawson's letter to Chief Commissioner, of June 17th, 1878.

Alterations to buttress. No steps taken by Government.

Notwithstanding repeated warnings from Mr. Dawson, dating from as far back as 25th January, 1877, no steps were taken with respect to the necessary alterations to the buttress up to the 12th January, 1878, when Mr. Dawson informed the Chief Commissioner that he would shortly be ready to commence work upon it.

Although the Government was informed that any alterations would involve the necessity of procuring special, extra timber from a distance, and that considerable delay must ensue, the instructions required by Mr. Dawson to enable him to take measures to carry out these alterations were not given until the 11th February, 1878.

Result of neglecting to make alterations in time.

The result of this negligence on the part of the Government was that Mr. Dawson had to search for means of occupying the time profitably until the extra timber required by the alterations could be prepared and delivered. This was partly accomplished by executing some of the filling in behind the main trunk.

Before the required extra timber was delivered (actually it was ordered before the proper instructions as to alterations had been given) the piling operations to the buttress were commenced, timber *not intended* for the purpose being used, at great extra expense to the contractors, in order to save time.

For this and all these delays the Government is alone responsible.

First extra dredging took two months.

As soon as the centre portion of the buttress was finished, some special extra dredging was commenced by order of the Resident Engineer, and about 500 cubic yards of material was removed from between the piles of the main trunk of the dam.

This took nearly two months to execute. Special apparatus was provided for this work.

Of the 500 yds., 319 were taken out of the two ends, where the Resident Engineer said "the services of a diver would obviate the necessity of re-erecting dredger." (See letter Resident Engineer to Chief Commissioner, April 22nd, 1878.)

The extra dredging having been finished, the machinery and apparatus had to be re-adapted for piling purposes.

The walings were erected across the gap left at each end of the dam on account of the rock bottom, &c., and all the piles that could be driven to main trunk, after the extra dredging, were finished.

Additional work erecting gauge piles on rock in deep water, three months to execute.

And then the operations of drilling for and planting the special gauge piles on rock in deep water were immediately commenced.

These operations, of a most tedious and difficult character, occupied more than three months steady work.

This is another unforeseen difficulty, causing large additional work, executed at a great expenditure of time and money unprovided for in the contract.

The price fixed upon for this work by the Resident Engineer is so calculated as barely to cover the outlay by the contractors. (The sum is \$3,508.)

N.B.—This work forms the principal item in the unpaid Certificate No. 11.

More additional work. Double sluices.

Another additional work is the excavation for a channel between Thetis Island and the shore, and the construction of a large double sluice at this point, instead of the three small sluices in the main dam.

This has been entirely a tide work, and was carried on simultaneously with the work on the main dam. It forms the second chief item of the unpaid Certificate No. 11. (This item is \$2,715.)

Nearly the whole of this work was executed during the months of June, July, and August last; consequently nearly all of the \$2,172 due under Certificate No. 11 was really due several months ago.

The price fixed for this work was reckoned on the same basis as that for special gauge piles.

Other additional works. Covering plank, &c.

Additional works of minor importance, such as driving covering planks to main dam, &c., &c., &c., have been ordered from time to time.

Great expense has been incurred by the contractors in erecting trestle work, &c., to form a tramway to carry puddle to the dam.

Extra payment for works executed since February 9th, 1877.

All the foregoing changes in the nature of the works executed, extensive alterations from the original design, and the important additional works ordered by the Government, the Chief Commissioner entirely ignores. But they fully justify Mr. Dawson in claiming right to extra payment on account of all works executed since 31st July, 1877, the date of expiration of the second extension. (See Article No. 65 of Specification and Mr. Dawson's letter to Chief Commissioner of June 17th, 1878.)

Payments withheld.

Payment on two certificates from the Resident Engineer has now been withheld.

Voucher wrongfully held by Minister of Finance.

The Chief Commissioner gave Mr. Dawson a voucher for the payment of \$5,091.38 at the Treasury, on account of Certificate No. 11; but the Hon. Minister of Finance has not paid the voucher, and has declined to return it to Mr. Dawson, although it is his property until paid. Mr. Dawson, after repeated applications, has been obliged, but with great reluctance, to commence proceedings against the Minister of Finance in the Supreme Court, for the recovery of this voucher.

Special attention is called to the following Estimates, &c., &c.

ESTIMATES.

EXTRA AND ADDITIONAL WORKS EXECUTED UNTIL DECEMBER 31st, 1878.

Under Certificate		yds.		
No. 3.—Dredging, as per Contract.....	Total	550		
	Executed to date	784		
	Additional	234 @ \$2 16		\$505 44
No. 4.—Dredging			\$1,663 20	
Long spikes			7 24	
				1,670 44
No. 5.—Long spikes				7 92
No. 8.—Covering planks			128 02	
Drip boards			12 85	
Lewis bolts.....			65 00	
Long spikes			17 75	
Spikes to planks			1 78	
Clay excavation			43 95	
				269 35
	Carried forward.....			\$2,453 15

	Brought forward.....		\$2,453 15
No. 9.—	Stop plates.....	7 65	
	Rock pile shoes	18 00	
	Lewis bolts	45 00	
	Long spikes	50 47	
	Clay excavation	4 50	
			<u>125 62</u>
No. 10.—	Stop plates.....	25 20	
	Lewis bolts	10 00	
	Long spikes	65 35	
	Dredging	1,661 60	
			<u>1,762 15</u>
No. 11.—	15 gauge piles on rock	3,472 50	
	Double sluice, as per Contract.....	Total \$1,628 88	
	Executed to date.....	2,715 53	
	Difference to date	1,086 65	
			<u>4,559 15</u>
No. 12.—	Covering planks	68 04	
	Stop plates.....	22 50	
	Spikes to planks	50	
	Dredging and removing boulder, &c.....	1,193 50	
	Double sluice.....	1,939 77	
			<u>3,224 31</u>
	TOTAL EXTRA AND ADDITIONAL WORKS.....		<u>\$12,124 38</u>

N.B.—Re Unpaid Certificates :—

	Total amount.	Of this extra work.
Certificate No. 11	\$6,416 71	\$4,559 15
„ 12	5,765 60	3,224 31
	<u>\$12,182 31</u>	<u>\$7,783 46</u>

Therefore, under Certificates Nos. 11 and 12 :—

Contract works	\$4,398 85
Extras, &c., &c.	7,783 46 !!!
	<u>\$12,182 31</u>

Saving to Government on Pile Shoes not used on account of soundness of timber :—

As per contract, Staging	\$ 101 95
Dam.....	3,237 99
	<u>3,339 94</u>
As per executed	144 09

Saving to Government.....\$3,195 85

 FINANCIAL STATEMENT OF CONTRACT AT MARCH 31ST, 1879, APPROXIMATELY.

Dec. 31, 1878.	Total works executed	\$47,589 51
Mar. 31, 1879.	Works executed, not yet charged (about)	5,289 18
	Total works executed to date	<u>\$52,878 69</u>
Dec. 31, 1878.	Payments by Government on account	30,357 42
	<i>Cash due to Messrs. Reed Bros. & Co. :—</i>	
Oct. 31, 1878.	Certificate No. 11	\$5,091 38
Dec. 31, 1878.	Do. No. 12	3,946 63
Mar. 31, 1879.	As above, not charged	\$5,289 18
	Less 20 per cent. & advances 1,306 73	<u>3,982 43</u>
Mar. 31, 1879.	Cash due <i>withheld</i> by Government	13,020 44
Do.	20 per cent. retained by Government...	9,500 83
Do.	Total cash belonging to Reed Bros. held by Govt.	<u>22,521 27</u>
	Total as above	<u>\$52,878 69</u>
Mar. 31, 1879.	<i>Property of Messrs. Reed Bros. & Co. held by Government :—</i>	
	20 per cent. on all works executed, as above	\$9,500 83
	Value plant and materials on hand	6,561 00
	As guarantee under contract	16,061 83
	Cash due but withheld by Government, as above...	13,020 44
	Total belonging to Messrs Reed Bros. & Co.	<u>29,082 27</u>
N.B.—	Of the works executed to December 31st, 1878 :—	
	To contract (but altered)	\$35,465 13
	To extra and additional	12,124 38
	Total as above	<u>47,589 51</u>

 CONCLUSION.

That alterations have been made on every point from the original design.

That the second extension of the time limit is practically the *first* as far as the contractor's responsibility is concerned.

That the length of time occupied by the works since the granting of the second extension of the time limit has been caused by the following circumstances, arising either from the part of the Government or from circumstances beyond the control of the contractors and to their great detriment, viz. :—

1. Unforeseen difficulties in executing all works of pile driving, strutting, and erecting walings, &c., &c., &c.; also dredging, blasting, and excavation, on account of the false datum of high and low water spring tides, as furnished to the contractors by the Government, and on account of consequent alterations.

2. That the dredging operations, instead of being, as represented and provided for, a matter of small importance, was in reality a work of great magnitude, requiring altogether *upwards of eight months'* steady work to complete.

3. On account of the extra depth of material removed by dredging, the timber provided for the piling, on positive information contained in the specification as to the

borings and tide levels and after careful soundings had been taken, no longer presented the extra length allowed to facilitate the pitching and driving. This was of most serious consequence and greatly added to the unforeseen difficulty already noticed as arising from the difference in tide level.

4. For the above reason a considerable portion of the timber procured for the main trunk and buttress piling was rendered useless, and had to be replaced at great inconvenience, loss of time, and expense to the contractors.

5. Delay and expense was caused to the contractors through negligence on the part of the Government in not giving them the proper instructions with respect to the necessary alterations to the buttress and to other works, in time to allow them to take measures to carry out these alterations without interrupting the progress of the works, although warned long beforehand by the contractors of the necessity of the alterations and of the consequences of not attending to them in time.

6. Upwards of three months were occupied in executing a most difficult and tedious extra work, unprovided for in the contract, viz. :—the erecting of special gauge piles upon the rock bottom at each end of the dam in deep water. This also caused a large outlay on the part of Messrs. Reed Bros. & Co.

7. Other additional and altered works, besides those specially mentioned, have been required, very greatly adding to the time occupied, the difficulties experienced, and the expenses borne by the contractors.

It will be seen that a very important alteration was also made with respect to the sluices. This was necessitated entirely on account of the errors as to tide levels, and is an important additional work, carried out under circumstances unforeseen and unprovided for in the contract. By only comparing the amount of extra and additional work with the amount of the general work of the contract, it must become evident that the original design for the dam was quite impossible of execution.

Notwithstanding the incontrovertible fact that alterations have been made in every particular, the Government has persistently held that the contractors were carrying out the original design.

The Government having failed to comply with the conditions of the contract with respect to the granting of extensions of time on account of additional and altered works, the contractors are entitled to extra payment for all work executed since the 31st July, 1877 (date of expiration of second extension of the time limit.)

It must also be evident that, considering the large sum due from the Government and the further sum payable shortly, as the accompanying estimates set forth, the fact of the Government withholding payment is causing, and will cause, great damage to the contractors, and is the occasion of unnecessary but unavoidable delays in the completion of the contract, for all of which the contractors will be justly entitled to compensation should they lay claim to it.

REED BROS. & Co.,
By C. E. DAWSON, *Agent.*