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# PUBLIC SERVICE COMMISSION

1912

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VOL. II

EVIDENCE

RE

## REPORT OF THE COMMISSIONERS

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1913

[No. 57—vol. ii—1913.]

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PUBLIC SERVICE COMMISSION

1912

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EVIDENCE

*RE*

LAKE TIMISKAMING DAM CONTRACT

PUBLIC WORKS DEPARTMENT

# PUBLIC SERVICE COMMISSION

OTTAWA, FRIDAY, January 19, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

ARTHUR ST. LAURENT, Assistant Deputy Minister of Public Works, sworn:—

*By the Chairman:*

Q. When were you appointed to your present office? A. I was appointed, I think, in August, 1908, the same year as the new Civil Service Act was passed.

Q. How long previously had you been in the government employ? A. Since 1889.

Q. In the Public Works Department? A. In the Public Works Department all the time, but not in Ottawa. I was seven years in Winnipeg in the Resident Engineer's Office, and in 1899, I was transferred to Ottawa.

Q. You are an engineer by profession? A. Yes, sir.

Q. In connection with the Timiskaming Dam matter, which we are about to inquire into, you had particular charge of that, had you not? A. Well, not particular charge; I was not the engineer in charge, but I had lots to do with it.

Q. It was under your department? A. Yes, and many things were reported to me direct.

Q. You had control of the work rather than the Deputy Minister? A. Well, all engineering matters would be either referred to the Chief Engineer or to me.

Q. The Chief Engineer would report to you concerning this matter, would he not? A. He would not report to me directly. He would report to the Deputy Minister directly, and the papers would be referred to me. I do not know if they were all referred to me or not.

Q. In the discussions of this matter with the Minister, you would be the person to whom he would speak in the office? A. Naturally, it would be the Chief Engineer first, and, at the time, as the Chief Engineer was ill most of the time, then these matters came more to me which would have gone directly to the Chief Engineer otherwise.

Q. Getting back to the early history of this matter, surveys were made some time about 1905. A. Yes, by Mr. G. F. Brophy.

Q. And it was proposed to build a wooden dam at the head of the island at the foot of the lake, which divided the Ottawa River into the East and West Channels?

A. Yes, the Quebec and Ontario Channels we call them.

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Q. The East Channel is commonly called the Quebec Channel and the West Channel the Ontario Channel? A. Yes.

Q. Up to 1908, when tenders were called for, were any further surveys made than had been made by Mr. Brophy? A. About the dam, not to my knowledge. I know, as a fact, that instructions were given by the Chief Engineer to Mr. Brophy to prepare contract plans for that dam some time in 1908.

Q. I am only asking you, as to your own knowledge; whether any surveys, to ascertain the conditions more accurately were made between 1905 and 1908? A. Not to my knowledge.

Q. The dam proposed by Mr. Brophy and held in mind right through 1908 was to be a wooden dam at the head of the island? A. Yes, Mr. Brophy was supposed to have all the information, and he was asked to prepare contract plans.

Q. Now, with regard to the scheme to build a wooden dam, at the time the tenders were called for in 1908, did the Department have such definite information that you as an engineer would say the dam could be proceeded with? A. Well, I cannot say anything as to that. The information was in the hands of Mr. Brophy at the time. I do not know what information he had when he was asked to prepare plans for that. I do not know what amount of information he had; it was only after that that the matter came under my special knowledge.

Q. I find that Mr. Matheson reported to you on October 9th, 1908? A. Yes.

Q. What was Mr. Matheson? A. Mr. Matheson had been added to Mr. Brophy's staff originally to push the work along. Mr. Brophy had Mr. Perrault, and as there was pressure on the Department to hurry up the work, Mr. Matheson came in then with the intention of pushing the work as much as possible, and Mr. Matheson was added originally to Mr. Brophy's staff. I think he was told to report to Mr. Brophy.

Q. Did you know Mr. Matheson before that date? A. Yes, Mr. Matheson had been working for me on the Georgian Bay Ship Canal Survey.

Q. He was an Engineer? A. He was an Engineer. May I tell you how it came about that this work came to pass from Mr. Brophy's hands to the Ottawa River Staff.

Q. In the first place, Mr. Brophy had charge of what? A. He had charge of the construction of reserve dams. In surveying from the Georgian Bay Ship Canal, we found that reserve lakes were necessary in connection with the Canal project, and so the two things dovetailed together a good deal. But Mr. Brophy had made his surveys then, and we made further surveys and investigations in connection with the Georgian Bay Canal to find out how much reserve we could get in order to decrease the fluctuations in the Ottawa River and render navigation more easy. As you know, there was pressure brought on the Government to start these dams as surveyed by Mr. Brophy. There were deputations and they brought out the facts that the going on with that scheme of reserves would increase the low water flow, benefit the water powers in the river, and the navigation at extreme low water in the river. The navigators had some trouble. Then, Mr. Brophy was asked to prepare plans. The plans were prepared for a wooden dam and tenders were called in due time, and one day Mr. Brophy called me up to his house; he had been ill for quite a few weeks in bed, and he asked me if I would not arrange so that this work he had in hand could be passed to the old Georgian Bay Ship Canal Staff, which were not quite finished at the time, and we were continuing investigations in connection with storage and regarding the navigation project. I told Mr. Brophy that I would make a recommendation to the Minister, so that this work would pass under the storage staff, in connection with the Georgian Bay Canal. I made a memorandum to the Minister and suggested that the work be placed in charge of Mr. Coutlee, who was carrying on the investigations. This was approved of. Then these plans for the wooden dam, came more particularly under my notice then, and as an engineer I was in favour of permanent construction for these dams, and I took the whole responsibility for recommending that the change be made.

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Q. Can you fix, accurately the date of your interview with Mr. Brophy? A. I cannot.

Q. It was in 1908 evidently? A. If I remember well, it was during the winter and he had been sick in bed for a long time.

Q. You say that was in the winter; you had been reported to by Mr. Matheson in October, 1908, concerning this dam? A. I don't remember the date.

Q. You must have assumed charge of it by that time? A. I was not in charge of the construction; I was in charge only of the proceedings that took place between the Engineers.

Q. I am not referring to the actual work of construction; I am referring to the Department dealing with the matter. It had by that time, October 9, come to you, because Mr. Matheson reports to you on that date? A. That must be so.

Q. Your interview with Mr. Brophy must have been prior to that? A. I cannot say if it was prior or not.

Q. Why was Mr. Matheson, who was on the Georgian Bay staff, reporting to you about the Timiskaming Dam, unless the work had passed from Mr. Brophy to that staff? A. Mr. Matheson had first been given as a help to Mr. Brophy. I think there are letters that will show that.

Q. If it was still with Mr. Brophy and Mr. Matheson would the reports be made to you? A. Not to me directly.

Q. This report is to you directly? A. That may be.

Q. I am trying to fix, as a fact, whether you had assumed some special supervision over the matter by October, 1908? A. I cannot say. It must have been after that that the transaction was made. I have not seen these papers for a long time and the dates I cannot recollect.

Q. So far as the wooden dam was concerned, its object was in connection with the Ottawa River navigation? A. Its object was the reserving of water for the increase of power, and to help navigation during the low water periods.

Q. The wooden dam that was contemplated and the raising of the water in that way, would have no connection with the Georgian Bay project? A. It would have, to some extent.

Q. Well, I find this expression in the letter from Mr. Matheson to you, dated October 9, 1908; he says:

"Owing to the short time at my disposal, I have not had time to figure the stability of the dam with these probably unconsidered conditions, as they would be entirely in reference to the operation of the Georgian Bay Canal and therefore outside of the conditions for which this dam is proposed."

A. Well, for the Georgian Bay Canal, we wanted the dam built higher.

Q. The original dam that was first proposed had nothing to do with the Georgian Bay conditions? A. It had, so far as the quantity of water reserve is concerned. Mr. Brophy I think proposed to raise the level only five feet something, and we wanted to raise the water much more than that, in connection with the Georgian Bay Canal scheme.

Q. If you applied it to the Georgian Bay Canal scheme, you would have to have a higher dam? A. Yes, so as to have more reserve.

Q. When you started with your suggestion that it should be built of concrete and be a permanent structure, you had the Georgian Bay Canal scheme also in your mind? A. Oh, yes.

Q. And you wanted that concrete dam so that it might serve that purpose? A. Yes.

Q. Consequently, it would have to be a much higher dam than the wooden dam that had been intended? A. Well, it would be built so that we would conserve a higher depth of water on top of low water.

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Q. What you mean is this: When, on your advice, the Department decided to build a concrete dam, you intended to have that dam higher than the old wooden dam? A. Oh, yes.

Q. And, consequently, the extent and size of the dam would be very much greater than the wooden dam? A. Yes, it would be greater, certainly, in height.

Q. It would have to go much further down in order to get stability? A. Not necessarily. At the time it was thought that the foundations were rock with the information in hand, but when this was taken over by our staff, new investigations were made, and they did not find any rock. The old plans for the wooden dam, showed a rock surface. I think that the bed of the river was so tightly packed with great boulders, brought down by glaciers, that this was taken for rock.

Q. Now, the plan showing it was rock, which was before you, when you decided on concrete, had been made by Mr. Brophy and his staff? A. Yes.

Q. And, when you proposed concrete, you had only these plans before you? A. I had only these plans before me, and I ordered a new investigation and that was carried out by Mr. Coutlee and Mr. Matheson.

Q. By the way, speaking of Mr. Coutlee, he is a civil engineer? A. Yes sir.

Q. Permanently employed by the Department? A. Since 1904. I would not call him permanent; he is an extra employee; he is not under the Civil Service Act; he is an outside man.

Q. Did the Department employ him before 1904? A. He was employed by the Railway and Canals Department before that on the Soulanges Canal.

Q. Is he continuously employed now, and has he been since 1904? A. Yes, sir.

Q. You say that it being decided to build of concrete, Mr. Coutlee was instructed? A. To prepare new plans for concrete.

Q. That required quite a long time to do it, did it not? A. Yes, quite a long time.

Q. When did Mr. Coutlee start that work? A. I cannot say without looking at the papers. He started at work the moment he got his instructions to take charge.

Q. For instance, I find on February 16th, 1909, that the Chief Engineer says: "Mr. Brophy had been instructed to arrange for the preparation of contract plans and specifications"—he would apparently be in charge of the work then? A. Yes.

Q. And the plans there referred to must have been for the wooden dam? A. Yes.

Q. Mr. Brophy has nothing to do with the plans for the concrete dam? A. No.

Q. On February 10th, you sent a memo. to the Chief Engineer in which you say that the principles of building permanent concrete structures, &c., has been adopted, and then you go on to say: "The plans and specifications for these dams should be prepared with the shortest possible delay"—that was the commencement of the active work under you? A. Yes.

Q. When you say that the principle of building permanent concrete structures has been adopted, what authority was there for that statement? A. Well, I discussed the matter with the Deputy Minister and the Minister, I think there must be a memo. on file from me in this connection giving my reasons. It was simply approved.

Q. On January 16, 1909, you said a memo. to the Minister that the dam should be built of concrete? A. Yes.

Q. Then, that matter was discussed between you and the Minister and the Deputy? A. Yes.

Q. And on February 10th, you told the Chief Engineer that a decision had been arrived at? A. Yes, that the recommendation had been approved.

Q. On February 4th, the Deputy Minister, writing to the Minister, refers to you a recommendation for concrete and to the objection made by the Auditor General, and on the 20th of February, the Minister made a memorandum for Committee of Council, authorizing the change to concrete? A. Yes.

Q. Now, various memorandums are prepared to go to Council in the name of the Minister, and in preparing these memorandums for Council, who would have to make



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all preparations for them? A. Well, the Secretary first, ordinarily, being his recommendation on the reports that are on file. The Secretary does practically all the work of preparing the recommendation.

Q. He prepares the recommendation, he would have to consult with whom?—A. Well, these are handed to the Deputy Minister and the Deputy Minister makes corrections sometimes.

Q. Do you mean to say that the Secretary when he makes his draft hands it to the Deputy Minister and the Deputy Minister criticises it? A. Well, that may be.

Q. And the Secretary gets his instructions in what way? A. He gets his instructions to prepare the recommendations to Council, directly from the Deputy, and he looks at the file. If the information is complete, he bases his recommendation on that and goes back directly to the Deputy. If the information is not complete; if it is technical information he wants, he refers to the Chief Engineer's Office to give him a recommendation, and in some cases he would come to me.

Q. We will take these various memorandums; there were four or five that went to Council in the course of this dam matter, which matter was under your charge; it would be natural that the Secretary in preparing these memorandums should consult you? A. In this case, he consulted with me, and when he did not, he had all my memos.

Q. But you would be the source of his information on the matter? A. And I would get my information from engineers as to data.

Q. Now, looking at the memorandum to Council, dated the 20th of February, I find that Council adopted that memorandum on March 13th, but on February 10th, 10 days before the memorandum, you had told the Chief Engineer that the principle of building of concrete had been decided on? A. Well, on the approval of the Minister.

Q. The point I want to get at is this: the decision to build of concrete instead of wood, and the order to proceed with the plans and specifications for concrete, had been adopted by your Department, more than a month before the Committee of Council approved? A. It may be according to these dates. The moment the Minister approved and he signs the recommendation, there may be quite a time that elapses before the approval of that recommendation by Council, and the Minister very often, or the Deputy, will tell the engineers to go ahead with the preparation so as to lose as little time as possible.

Q. I want to get at this particular matter now. After the consultation on February 10th, 1909, you are able to tell the Chief Engineer that concrete has been adopted? A. Yes.

Q. Ten days later, the memorandum is prepared for Council, containing the recommendation of the Minister, and that is adopted, by Council on the 13th March. A month prior to its adoption, the Engineer had begun preparations for plans and specifications for the concrete structure. Then, the Department was committed to the work of going on with his concrete before Council gave its approval? A. Well, it was not permitted to build of concrete, for if Council decided not to do it the preparation of plans simply dropped.

Q. What preparation for the plans was necessary? A. Do you mean for the concrete?

Q. Yes? A. Well as the first plans that came under my notice did not define very well the kind of foundation—rock was shown and then some dotted line, and as it was more important for the concrete structure to have all the information possible about the foundations, they had to carry on some investigation, some further borings, and then, of course, the concrete plan would have to be different from the wooden entirely.

Q. And when you ordered these plans and specifications you not only started out with reference to the concrete structure, but also with reference to the increased dam, and its connection with the Georgian Bay Canal project? A. Oh, yes, that idea has always been kept in view

Q. On February 26, 1909, you recommended that Mr. Coutlee should take charge of the whole storage investigation? A. Yes.

Q. You say: "I find it impossible myself to continue in charge of that part of the storage connected with the Georgian Bay Ship Canal, and I therefore suggest Mr. Coutlee to take charge of the whole storage investigation?" what do you mean by storage investigation? A. Storage investigation, in connection with the Georgian Bay Canal, was much more elaborate than what Mr. Brophy had done with a view to relieving the conditions for the water powers. We had not only to look into the possibilities for conserving water on the main Ottawa River, but on the tributaries too, and Mr. Brophy's investigation covered only a few of the lakes, and we had to cover the whole of the watershed of the Ottawa River, in order to find enough basins or reserve lakes by which we could reduce the fluctuations of the Ottawa River to a certain minimum, and augment the water flow to a certain maximum. The investigations are still going on. They were very extensive, it will take years to collect the information; it is a big country and it is a very difficult country to go through.

Q. I find that it was not until July 12, 1909, that the Chief Engineer submitted the plans and specifications? A. Yes, for concrete dams.

Q. It took a long time? A. Yes, it took quite a long time.

Q. Can you fix the date when the actual work of further investigation began at the site of the dam? A. I think right after Mr. Coutlee got his instructions from the Chief Engineer. I think he ordered some borings first, and the investigation must have started right away.

Q. Mr. Coutlee on March 9th acknowledges his appointment to the charge of the work. In a memorandum by Mr. Coutlee to the Chief Engineer, dated April 5, he says: "During the first week of March, the writer and Mr. Matheson visited the dam site, and arranged to have two test pits dug on the Ontario side." These had been ordered by the Chief Engineer and were necessary to find the nature of the bottom? A. Yes, to find out if really rock was there.

Q. As a matter of course you could not begin to build a concrete dam without having test pits sunk and finding actually the nature of the bottom? A. Not unless the bottom was visible and it was evident we had rock.

Q. Under the conditions that existed in that place, you would not build a dam without test pits having been made? A. No, I would not do it without investigation.

Q. Would any sane engineer undertake such a work without doing that? A. They would not, certainly, without investigating the bottom.

Q. Well then, until that was done, the cost of a concrete dam there could not be, even approximately fixed, could it? A. Well, it turned out that it could not. But the old engineer under Mr. Brophy when asked what quantity of concrete would be required, if a change was made from wood to concrete, gave a certain quantity on the data he had and the plan.

Q. And on the plan which had been made for a wooden dam? A. Yes, he gave quantities based on that. At the time we did not know rock did not exist. I had never been there myself, you see.

Q. When it was decided to build a concrete dam at that place, you immediately, as a matter of course and of good practice, ordered testings to be made? A. Certainly.

Q. That implies does it not that work of that kind could not have been commenced, without having such testings? A. Oh no, it could not be designed or commenced without that.

Q. And, consequently, in preparing an estimate, on the information you had at that time, as to what a concrete dam would cost in the place of the wooden dam, it was merely guess work? A. Well, it was not guess work; the first quantities given by the Engineer were based on the plan which he thought was right.

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Q. But it was based on a supposition, namely, supposing the original plan to be right, there would be so much work to be done? A. I do not think he had any reason then to suppose that the plan was not right.

Q. Why did you begin to make test pits afterwards? A. Because it was to be changed from wood to concrete, and we had to take a good deal more care with concrete work.

Q. But you supposed that plans might not be right? A. I supposed that the plans might not be right because I saw a dotted line on the section which showed they were not sure whether the rock was there or not.

Q. As a matter of fact you proceeded upon the principle that you could not rely on those plans before you? A. For a concrete dam, I certainly did.

Q. Then, when the first estimate was made that a concrete dam would cost so much, it was based on this proviso—provided the plans made for the wooden dam are correct? A. Yes, the first estimate had been asked, and I don't think I had thought of the change at the time. I was simply asked what would be the quantities for a concrete dam instead of a wooden dam on the section shown.

Q. Assuming that the plans were right? A. Yes.

Q. But as a matter of fact, you did not assume for a minute that the plans were right when you came down to the question of building? A. I was in doubt about the foundation.

Q. As a cautious engineer, you would not assume they were right? A. I was in doubt, because the definite information was not shown on the sections.

Q. The thing has gone on now, and you have had experience? A. Yes.

Q. I put this question; when in March, the memo. to Council was prepared in which it was stated that concrete in place of wood would cost \$108,000 you had no sufficient data before the Department to assure Council that the cost would be \$108,000 or anything like \$108,000? A. I thought the Engineer had.

Q. I am not asking you what you thought then; I ask you if, as a matter of fact, there was sufficient data? A. I do not know what data the Engineer had at the time. We simply asked his quantities. So far as I am concerned then, I simply asked his quantities.

Q. I know, but this has gone on for several years now, and you know what it has cost? A. Oh, it has gone beyond our expectations.

Q. Now, suppose Council had asked you to come before it, and at that time had said: Mr. St. Laurent do you pledge your professional reputation that you have sufficient evidence before you upon which to base us an estimate which you believe will be approximately correct, what answer would you have made? A. I would have to refer Council to the quantities given by the Engineer at the time. At the time I did not know any more than anybody else; we had to take the Engineer's report.

Q. But I am asking you now a definite question; you were placed in immediate charge of this work? A. No, not in immediate charge of these details.

Q. I am not talking about these details, but you had to advise the Minister? A. Yes.

Q. And you were an engineer of experience? A. Yes.

Q. Suppose the Committee of the Privy Council had sent for you to come before it at that time, and they put this question to you: Now, Mr. Assistant Deputy, Council is anxious that when it starts this work, it shall know as closely as possible what it is going to cost, are you ready to pledge your professional reputation that you have sufficient data and are sufficiently certain about it to give us an estimate which will be as accurate as any estimate could be, what would your reply be? A. I could not do it, sir. I had to base my recommendation on the quantities and report of the Engineer at the time. I could simply answer that I trusted the Engineers.

Q. Would you have answered that you trusted the Engineers? A. Well, that I trusted their report, and the report to Council was prepared and based on that.

Q. But they had never reported on the concrete structure? A. The quantities had been given by Mr. Perrault who was working then under Mr. Brophy and who reported that it would take so much concrete to change from wood to concrete.

Q. But to be fair to Mr. Perrault, the question put to Mr. Perrault was—? A. I want to be fair to Mr. Perrault.

Q. We all want to be fair to Mr. Perrault—the question put to Mr. Perrault, at that time was simply this: take the plan made for the wooden dam, and all the data prepared for the wooden dam, and just change from wood to concrete, so that your location and the dimensions remain the same, and all that is changed is from wood to concrete, what will it cost? That was a simple mathematical computation, was it not? A. He had to prepare a new section for concrete, to meet the object in view, according to Mr. Brophy's report, and base his quantities on the section of rock shown on his plan. Mr. Perrault thought his plans were right. I do not think Mr. Perrault took these sections himself.

Q. And when he was asked to make that calculation his answer was based upon the assumption that all the material before him was correct? A. There is no doubt about that.

Q. Then, so far as Mr. Perrault's answer is concerned, it is merely applied to the change from wood to concrete? A. Yes.

Q. Then, when further test pits and the other things were ordered, it was because the Department knew it had not sufficient information to authorize it to go on with the concrete dam? A. Well, the new Engineer had to get his own information, and that is a thing that developed gradually. They ordered test pits and it developed gradually that the location of the dam had to be changed, and that we had better provide at the same time for a higher depth of water. All this developed gradually after.

Q. That you would have to provide for a higher depth of water was known at the very beginning of your concrete proposition; you told me that you had decided to change from wood to concrete because you wanted it higher? A. Not exactly at the beginning; that is the thing that developed gradually.

Q. Do you mean to say that you decided to change from wood to concrete before you decided to raise the height of the dam? A. I do not remember about the height of the dam, at the time. It developed gradually when the plans were brought in by the Engineers.

Q. When you ordered new plans and specifications to be made, and test pits to be commenced—or when it was ordered you agreed because you were in charge—you did it because you considered it good practice to do it before you started upon the construction of the concrete structure? A. Oh, yes.

Q. You would not have thought as an experienced engineer, of commencing such a large concrete structure without further examination? A. And I was probably advised at the time, after having talked with the Engineer, it would be safer to make further investigation.

Q. You say that 'probably' you were advised; were you advised? A. Well, in talking with Mr. Coutlee, and the Engineers—

Q. Do you say, as a matter of fact, that you were advised to do it? A. Oh, yes, all these things are discussed.

Q. Do not get into generalities; I am just testing your memory now; do you remember that somebody told you that it would be safe to have a further plan made; do you remember someone saying that to you? A. I think so; I think it was discussed with the Engineers and that was the conclusion arrived at.

Q. I want you to be particular if you can remember; do you remember anybody saying that to you? A. I do not remember anybody in particular.

Q. Did the Chief Engineer advise you you should have these test pits made? A. He did not advise me, he would have advised his engineers.

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Q. I want to know whether he did, as a matter of fact, advise you that further tests should be made? A. I do not think so, because the Chief Engineer was ill most of the time.

Q. Did Mr. Coutlee advise you? A. Oh, yes, it was agreed together.

Q. I know it was agreed together; was it agreed together because you said that to Mr. Coutlee or because he said that to you? A. I cannot remember whether Mr. Coutlee mentioned the matter first, or whether I mentioned it first, in the general discussion.

Q. Do you remember any special reason he gave you for it? A. No.

Q. Tell me why you decided it was desirable and necessary to make further tests and further inquiries about the matter? A. Well, on account of the changes that were necessary in connection with the concrete structure.

Q. You mean they were involved in the very fact of the concrete structure? A. And then, as a new engineer was placed in charge, naturally he might not have the location, he might not think the location, first selected, suitable to him.

Q. I want to get down to this—when it was decided in the Department to build of concrete instead of wood, did not that decision involve necessarily further tests, and plans, and specifications; did it not make these necessary? A. Do you mean the moment it was decided?

Q. Yes, the mere decision. Did it not make it necessary? A. It would have made it necessary if at the time we had known the condition of the bed of the river to be very different from that shown on the plan we had.

Q. Probably unintentionally, you are not answering the question, and I will put it plainly to you—I am speaking now to you as an engineer, as the head of a very important work and I say: With all the information in your possession at the time, and in view of the surrounding circumstances of every kind, when it was decided to change from wood to concrete, did not the fact of that decision to change the material necessarily imply that you must go and make further tests and plans and specifications? A. Well, not exactly, at the time the change was recommended, because I simply had not the information in hand myself; but simply had the quantities for the concrete dam to meet the object in view to replace the wooden dam. These quantities were given to me.

Q. You do not understand the question—when you made up your mind that you are going to put concrete there instead of wood, did it not at once occur to you that you could not begin building concrete without further tests and examination? A. That occurred shortly after, there is no doubt. At the time I took the section as being correct, but shortly after, these things gradually developed. I answered that these tests were certainly necessary in connection with the change.

Q. Do you mean that you would in any case advise that a concrete dam could be built where a wooden dam had been intended, without further investigation as to the material and the nature of the bottom and all that sort of thing? A. I would in case of rock foundation, certainly.

Q. In case that the examination into the foundation had been sufficiently thorough to leave no doubt? A. When I made that recommendation, I thought that the investigation had been thorough. It was only shortly afterwards that it gradually developed that rock was not shown everywhere.

Q. When did this develop? A. Oh, shortly after.

Q. How shortly after, and what caused it to develop? A. Well, I think that in Perrault's original plan, I saw some rock was shown and others had for rock a dotted line which showed that they were not sure about the rock surface for that part.

Q. The original plan for the wooden dam showed that dotted line? A. Yes.

Q. And when that dotted line was meant to indicate that the bottom there was not certain? A. Yes.

Q. Now, clearly, up to that time you had not examined carefully Perrault's plan?  
A. In the course of ordinary business these plans don't come before us. They pass through the Chief Engineer and they then make these specifications.

Q. You say it was an examination of Perrault's original plan which caused you to feel that something more was necessary? A. Yes, to notice something more was necessary.

Q. And that original plan you had seen when you were considering the wooden dam? A. Yes, but it did not occur to me at first when I first saw the plan about this feature of it.

Q. It would be an engineer's duty to notice and ask what that meant? A. It would be the Chief Engineer's Branch.

Q. The Chief Engineer's Department or Branch should have noticed that and been aware of what it meant? A. Well, yes.

Q. When you were discussing the change from wood to concrete, did you consult with the Chief Engineer's Department about that? A. No, about the change from concrete to wood and to the principle itself, I take the whole responsibility of that recommendation.

Q. Yes, as to the principle? A. As to the principle of building concrete dams instead of wooden dams, which we would have to replace and which probably would be laid on the bottom and all that kind of thing.

Q. You would say, and anyone would say, that for a permanent work, concrete was better than wood? A. Yes, I take the whole responsibility for the recommendation.

Q. Then I want to get down to this—when you recommended that, and the Minister and the Deputy and yourself were consulting about that change, was the Engineer's Department asked what the concrete dam there would cost? A. When I made the recommendation for the change, I cannot say whether they were asked before that or after; it was asked anyway, whether it was before or after.

Q. But the principle of building with concrete instead of wood was adopted and recommended to Council, and you don't know whether or not the Engineer's Department was asked what that would cost? A. I do not know whether it was before or after.

Q. Furthermore, when the quantities were made up upon the change from wood to concrete, they were made, not by the Engineer's Department, but by Mr. Perrault?  
A. Yes, he sent the original quantities based on the original section.

Q. He was not in the Engineer's Department? A. He was under Mr. Brophy at the time, that is the Engineer's Department.

Q. He is an outside man? A. Oh, yes, he is not permanent.

Q. He was not in the office at Ottawa under the Chief Engineer? A. No.

Q. Can you tell me why Mr. Perrault was asked to give these quantities instead of your simply asking the Chief Engineer's Department to give you the quantities?  
A. That is probably because Mr. Lafleur, the Chief Engineer, was sick, I must have asked the quantities from Mr. Perrault direct, so as to hurry up matters. It was at the time that the Chief Engineer was away.

Q. I find that Mr. Perrault gave a report to Mr. Lafleur the Chief Engineer, under date January 14th? A. Yes, and he was probably asked by telephone to supply these quantities. There may not have been any letter asking him to supply these quantities.

Q. And you say that Mr. Lafleur may have been away at the time? A. Yes, I know he was away most of the time.

Q. There were some complaints made later on in the history of this matter about flooded wharves and landing places in the lake? A. There was a year of very high water, two or three years ago, when all these wharves were flooded.

Q. I find a memorandum from you saying that undoubtedly later on all the landing-places in the Lake will have to be raised at the public expense? A. Yes.

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Q. There was a considerable amount paid later on for flooded lands? A. Not in connection with the Timiskaming; there has been nothing paid that I know of in connection with that.

Q. Have there been claims? A. Oh, yes, and we are still surveying the low parts that will be flooded.

Q. Would that be partly in consequence of raising the dam when you changed from wood to concrete? A. That would be partly in consequence of the higher level that we are going to maintain than was at first proposed.

Q. What I want to get at is this—if that wooden dam had been built there these complaints would not have arisen? A. Not to the same extent.

Q. The project of putting the wooden dam there was merely to conserve the waters of the lake in dry seasons? A. At all seasons to reserve part of the flood water and let it go during September and October.

Q. That would not have raised the level of the lake in flood waters? A. No.

Q. It would only have kept up the level of the lake in midsummer? A. Yes, five feet above low level.

Q. And that five feet would be distributed late in the fall and during the winter? A. Yes.

Q. In a memo. dated January 16, 1909, made by you, you say:

“Owing to a clerical error in preparing the form for tender, in this work, the bulk tender was called for while the plans and specifications had been prepared with a view to having the work performed at unit prices.”

What kind of clerical error would lead to that? A. We have printed forms which are submitted to intending tenderers to put their tender in. These printed forms up to two or three years ago, were all made out in bulk sum estimate. Later we began to call for tenders for unit prices based on certain quantities. The clerk that usually prepares these left that clause about the bulk sum in. There was a schedule of quantities and prices, but he left the clause for the bulk sum. By error it went to the printing bureau like that and these things never come back to us until they are advertised. It was only then noticed that the clause with the bulk sum had been left there. It was clearly intended to call for tenders by the unit so much per cubic yard.

Q. What was there to indicate that such was the intention; what memo. or otherwise is there to show that? A. There was an itemized statement of the materials.

Q. Now, taking the form of tender which I have before me, I find, first, it contains a place for a bulk sum and then I find this:

“We also offer to execute work and to furnish all labour and material in connection therewith, subject to all conditions and requirements, and to bind ourselves to accept these prices at the rate and price which we have affixed to the different items in the following tables.”

Certainly, that form of tender is quite consistent with the idea that this schedule of prices was to be applied to extra work? A. It was exclusively intended for the unit prices.

Q. What is there to prove that? A. That was the intention at the time. I do not know if the specifications did not show it. Have you got my memo. in this connection there?

Q. Yes, I think I have, but it does not say anything about that. It says it is a clerical error. It may have been an error, but it was not a clerical error, by any means?

A. That was the view, and I would not state it without it being true. The clerk prepared the form there.

Q. What you mean to say is this: that your Department intended to call for unit prices? A. Oh, yes.

Q. And that the tender, as actually put before tenderers to be signed, called for bulk prices, with the schedule of prices, that, according to the tender, applies to extra work? A. Yes, and the part for the bulk sum should have been left out.

Q. Was the attention of tenderers drawn to that so-called error, before they put in their tenders? A. I cannot say, sir.

Q. Have you any reason to believe that it was? A. I think I would have some reason to believe, because some of the tenderers figured their old tenders based on that schedule list.

Q. That would be a very natural thing? A. That would make up the bulk sum, but they did figure on the old quantities.

Q. If you put the specifications forward containing particulars of the materials which are intended to form the structure and the tenderer is going to make a bulk sum price, he would naturally proceed by making out his own quantities as unit prices? A. Yes, he would calculate his own quantities, if we did not give them; sometimes we give the quantities.

Q. Did the specifications give the quantities? A. Yes, there is a list of all the material that would enter into the work.

Q. If, in these schedules, the unit prices were not intended by the tenderers merely for extra work, how would they have arrived at the bulk price without knowing the quantities? A. By taking their own quantities.

Q. It makes no difference how the tenderer gets the quantities, whether he works them out or whether you supply them, when he is going to consider about tendering, he must proceed in his calculations on the unit prices? A. Yes, but what I want to make out was that the tenderer did not make that schedule for extra work only. Some of them put their prices and extended their figures and adopted their bulk sum thereafter. What I mean is, that they did not make an itemized schedule of quantities only for extra work.

Q. Oh, no, in other words, you mean to say that the tenderers intended to ask for extra work only the same rates they were asking for the bulk work? A. Yes, but they extended their quantities and based their tenders on that.

Q. Precisely, in their tender they evidently contemplated the same price for the bulk work as for the extra work? A. Yes.

Q. Now I get back to the facts—do you remember that any tenderer was informed in any way that the Department desired united prices for the whole work and not a bulk tender? A. No, I cannot say that. These things may have been discovered only after.

Q. As a matter of fact, you have no reason to suppose that anybody discovered this error, as you call it, before you discovered it yourself? A. No, I knew practically what the intention was. Have you got the specifications here?

Q. No, the specifications have not been provided. A. There must be some clause dealing with the tenders and the prices in the specifications. There must have been something in the specifications which would show that the intentions were to call for tenders at unit prices.

Q. You say in that same memorandum, referring to the Department's intention to have unit prices: "This was necessary on account of the impossibility of determining the true profile of the rock formation underlying the loose material in the bed of the river, which at one point is very deep, and to survey, to enable reliable test borings to be made." A. Yes, it has been impossible to make tests in that part.

Q. But you told us a moment ago that the fact that the plan, &c., could not be relied on only occurred to you when you discovered that Mr. Perreault's plan had a dotted line? A. Well, about that time or shortly after.

Q. Now, in this that I have just quoted from you, you are referring to the intention of the Department, away back in October, 1908, when it called for prices; don't you there see that the Department must have had that knowledge of the unreliability



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of this plan in its mind when it asked for tenders? A. Well in all hydraulic work, there is always an uncertain element, and that was one of the reasons why it was intended to call for tenders by unit prices, because no engineer, and nobody, could state exactly what amount of material really would have to be excavated or what amount of crib-work would have to be built in the end. Even a rock surface, if you have it under the river bed, where you cannot see it, has many inequalities, and that cannot be determined until you do the actual work. In every case, we never can state the exact quantity.

Q. As a matter of fact, the Department when it asked for tenders in 1908, knew that reliable test borings had not been made? A. I do not know about that; Mr. Brophy must have made some tests.

Q. Did the Department ask for tenders, believing that it had reliable information, or believing that the information it had was not reliable? A. It had reliable information, so far as it could go in connection with hydraulic work.

Q. Well now, could not reliable test borings be made some time after? A. In one part of the river it was practically impossible to make test borings.

Q. Your argument here is, that the Department intended to ask unit prices and not bulk prices in October, because it knew, upon the information in its possession, that the cost of the work could not be reliably estimated? A. It could not figure, because the quantities might be more or less.

Q. And they might be greatly more or less? A. Oh yes.

Q. That is what I tried to get at in the beginning of your examination—when the work of building the concrete dam was started, in the very nature of things, what it was going to cost could not be known? A. Well, not exactly.

Q. Would you say, even approximately? A. Not even approximately in hydraulic work of this kind. We do the best we can to state the quantities to the best of our knowledge, but in hydraulic work there are so many hidden things, that our assumption, or whatever it may be, our deduction may be all at sea.

Q. That does not mean, to the best of your knowledge at the time you made a certain proposition, but to the best knowledge which under natural conditions, you can arrive at. When you say: I gave an estimate to the best of my knowledge, you don't mean that you gave an estimate to the best of the knowledge which you happened to have? A. To the best of my knowledge according to the information I had before me.

Q. Then your estimate when you started to build the concrete dam, was given merely to the best of the knowledge you had at that time? A. Yes, to the best of my knowledge.

Q. I want to get the meaning of that phrase—what do you mean, to the best of the knowledge you happened to have or to the best of the knowledge you could get under natural conditions? A. Well, to the best of the knowledge that I could get under natural conditions, and to the best of the knowledge which we can obtain in hydraulic work.

Q. What amount of knowledge did you have when in February, 1909, it was decided to build a concrete dam? A. The knowledge was the plan and the information brought in by the engineers.

Q. That is the best knowledge you happened to have and not the best you could have got? A. Yes, and I know we could never arrive at the exact knowledge of what could be done until the construction was made.

Q. You go on to say: "The plans therefore do not show the actual quantities in excavation and material which will be required in the foundation." You are talking about wood there. Then you continue: "And are open for large claims for extras over and above the lump sum tendered, and for which reason the estimate on unit prices was prepared." Now you contemplated you were going to have large claims for extras even with the wooden dam? A. I did not contemplate it but it

might be possible. I was not speaking only of that one work there. It is our experience in connection with all hydraulic work that we are liable to have these claims and that is why we preferred unit prices, because if the quantities are increased, it is fair to the contractor that he should be paid for these quantities, and if they are decreased it is fair to the Department we should not pay for them.

Q. Quite so, and that is as plain as the nose on a man's face, but if I were to say with regard to the Ottawa River, the dam would cost so much, probably my estimate would be too large for it because I know nothing about it, but if an engineer were to say it, it ought to reduce the liability for extras very much, because he ought to know a good deal about it. There is always a risk of extras, but that risk could be reduced by correct knowledge to a minimum. Now, I want to get at this: whether to-day you believe; I will put it the other way: whether at that time you believed that you had that degree of correct knowledge which competent engineers could get and ought to get before they entered on the construction of a large work, and the making of an estimate? A. At that time do you mean?

Q. At the time the Department decided to use concrete instead of wood. Do you then believe that you had that degree of accurate knowledge which competent engineers could get and ought to get before they estimate the cost of hydraulic work? A. Well, evidently I did not because we ordered further investigations.

Q. And the fact is proved that you did not? A. Yes, even with two or three years' experience at the Timiskaming I cannot say what it will cost because there are unforeseen things that may still be coming. We believe we have all the knowledge necessary, but, as we go along, things turn out differently from what we expect.

Q. But there are precautions which can, and ought to be taken, in every case? A. Yes, and I am not sure we will not have more accidents there although we have the best men possible.

Q. Now, with your experience of public work scattered all over Canada, is it not clear that these public works are started upon without that degree of accurate knowledge, as to the cost which is likely to be incurred and which a competent engineer could get and ought to get? A. I will tell you that I have lately advocated a Board of engineers to whom all the contracts could be submitted or which could be referred to them.

Q. Your experience leads you to think that that is necessary? A. I believe that it is an absolute necessity. We are going into larger work all the time and our work has increased so much that the Chief Engineer's Branch has had no time sometimes to look into all the details. We had to trust to resident engineers here and there and it is a necessity that we should have a body that would look to the details and study every harbour and river work. Might I add that I believe that even with that board of engineers, it would not eliminate all the difficulties and the accidents which may happen. You have the Panama Canal as an example of that. There is no work in the world where such extensive studies have been made in years past by the French and by the Americans, and the Americans have taken that work after the large experience that the French had with it, and they estimated it would cost two hundred million dollars, and it has now increased to three hundred and seventy-five million dollars on account of unforeseen difficulties and excavations and hydraulic work. It turned out very differently from what they expected, and they had board upon board to study these questions.

Q. I notice that on January 16, 1909, you refer to this clerical error and you go on to point out how impossible it is to determine the true profile of the river, and you add: "that the dam should be built of concrete." Now, had you at that time talked to the Deputy Minister and the Minister about concrete instead of wood? A. Not to the Minister probably. I must have talked with the Deputy and the Engineer about the advisability of building it with concrete.

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Q. You do not know whether you talked to the Minister? A. No. We refer a thing to the Minister only after discussion and for his final approval.

Q. The tenders were put in on the 18th of November, 1908, and there is an endorsement on the back of the tender of Kirby & Stewart: "award contract W.P."; that would be the initials of the Minister? A. Yes, that would be the initials of the Honourable Mr. Pugsley.

Q. The date of the tender itself is the 19th November, but the date of the initials is not there? A. It must have been a few days after that he put his initials on.

*By Mr. Lake:*

Q. Who opens the tenders? A. The Deputy Minister and the Secretary usually, there are always two.

*By the Chairman.*

Q. On the 21st November there was a schedule of tenders received prepared, and that schedule would go before the Minister, and the tenders themselves would go before the Minister? A. Yes, with the whole file of tenders.

Q. There was a report to Council prepared dated November 23rd. Now, in a letter dated December 29, 1910, the contractors, Kirby & Stewart, say they were told in November the tender would be awarded to them; do you know who told them? A. I remember at the time there was a deputation pressing for the commencement of these works, and the Department, anticipating I think the granting of the Order in Council told the contractors to go ahead with the work because they wanted to profit by the winter road to get their timber.

Q. As a matter of fact the contractors were not getting the timber out themselves; they were contracting with other people for it? A. Well, they would give orders to the lumbermen to get their timber out.

Q. But it would not be necessary that orders should be given in the fall; orders could be given at any time during the winter? A. Yes, but that was in November, they wanted to get their timber out that winter and have it cut, and so on.

Q. I find that Council did not sanction the contract until January 18th? A. Well, they must have been told to go ahead after that.

Q. They say they were told in November that their tender would be accepted and the Minister had, in November, decided to accept it? A. Well, I would not know anything about that. The Minister may have told them but I did not know.

Q. You did not tell them anything? A. No.

Q. As a matter of fact, if they were told in November, that would be two months before Council had sanctioned the contract? A. Yes, it was practically two months.

Q. Is it the practice in your Department for a Minister to authorize work to begin before Council approves of contracts? A. I do not understand that he did authorize them to begin work then; they were told they would have the contract.

Q. You say they were told that in order that they may enter into arrangements about timber? A. After the passing of the Order in Council, I mean, I know as a fact they were told to go ahead by the Deputy Minister.

Q. You don't know anything about their being told in November? A. Oh, no.

Q. You don't know if they did enter into any contracts in November? A. I don't know anything about it; I don't think they did.

*By Mr. Lake:*

Q. Would they naturally know from the fact that the money was being returned to the other tenderers? A. They would naturally know that way. Being the lowest tenderers, very often the Minister would take upon himself to let them know that they were the lowest tenderers, and that the matter would go to Council in due course and if approved by Council they would get it.

*By the Chairman:*

Q. Is the intention of letting them know that, in order that they might commence work, or, enter into engagements before the Council approved? A. It is not the intention of the Department that they should do it; they are simply advised they are the lowest tenderers.

Q. And Council has the right to accept the lowest or any tender? A. Yes.

Q. And sometimes Council does not accept the lowest tender, I suppose? A. To my knowledge practically they have always accepted the lowest tenders, but not always, and they always have the right to reject. Oh, yes, there may be some reason for doing that.

Q. After it had been decided in your Department that concrete was preferable, mention of that intention was made to the Auditor General? A. Yes, these discussions with the Auditor General were not carried on through me.

Q. But I am speaking of your knowledge as to the facts because you afterwards had some correspondence about it? A. Yes, some letters of the Auditor General were referred to me.

Q. Do you know from that letter that the Auditor General was told of the intention to build of concrete and also of the intention to give the contract to Kirby & Stewart without new tenders? A. Yes, sir.

Q. And that objection by the Auditor General was referred to you for criticism and you prepared a memorandum arguing in favour of not having new tenders but of giving the contract to Kirby & Stewart, and I find you say this:

"Apart from the moral obligation in which the Government is placed to make no further delays in commencing this work, in order to keep fair with power users, &c., it seems that the Government, as the matter now stands, cannot ignore the fact that the lowest tenderers are entitled to first consideration under altered conditions, so long as these conditions are covered by the tenders."

That was the argument you used. What do you mean by "as the matter now stands." You say "It seems that the Government, as the matter now stands, cannot ignore the claims of the tenderer." What was the matter to which you referred? Had they, so far as you knew at that time, entered into any obligation to anybody? A. That is what I was given to understand.

Q. What were you given to understand? A. Because the Department through the Deputy, authorized by the Minister, told them to go ahead when the Order in Council was passed.

Q. You mean to say that between the date of the Order in Council, which was only adopted on January 18th, and February 3rd, these contractors went ahead and did something? A. No, I don't mean to say they did something but they were told to go ahead.

Q. How do you know they were told to go ahead after the Council acted; did you tell them to go ahead? A. No I did not tell them to go ahead, the Deputy Minister did.

Q. You know he did? A. Yes.

Q. You know that after the Order in Council he told them to go ahead? A. It must be that, because he would not do it before the Order in Council was passed, I am sure.

Q. Are you sure, or are you just thinking that he would not? A. I am sure that he would not.

Q. That is your opinion? A. I am quite sure about it.

Q. Are you prepared to take your oath that he did not tell them to go ahead before the Order in Council was adopted? A. That is a hard question.

Q. As a matter of fact do you know anything about that? A. Yes, I know my recollection and my impression that is left to me that as soon as the Order in Council

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was passed they were told by the Deputy to go ahead, on pressure brought by the lumbermen, that the work was pressing.

Q. That is your recollection? A. Yes.

Q. And you don't think they were told before the Order in Council was passed? A. I do not think so.

Q. And you do not think that between November, when they say they were told, that the contract would be given to them, and the January 18th, when the Order in Council was passed, that they had assumed any obligation? A. I do not know that they did.

Q. Then, when you speak in your letter here, of the obligation to them, you knew nothing beyond the fact that they had been told a few days before to go ahead? A. Well, I take it as a question of honour, that having been told to go ahead with the contract; I take it as a question of honour with the Department to treat them well.

Q. Did you know as a fact that they had gone ahead and done something? A. I was told that they had given some orders; I do not know as a fact because I did not see any documents.

Q. Who told you that? A. I was told I believe by the Engineer.

Q. What engineer? A. Mr. Coutlee, probably.

Q. Mr. Coutlee told you they had gone ahead? A. I would not name him as a fact that it was him who told me, somebody told me, it may have been Mr. Coutlee.

Q. It may have been Mr. Coutlee and it may have been somebody else; have you any reason for believing that it was Mr. Coutlee? A. It might have been the contractors themselves too.

Q. You don't know who it was? A. Not exactly.

Q. Were you told when they had gone ahead? A. I could not say.

Q. Suppose it turned out that their action, whatever it was, took place before the Order in Council was passed, by somebody in the Department telling them to go ahead, would you still consider that the honour of the Government created an obligation to give them that contract? A. No, I based my recommendation on the fact that when the contract was given to them by Order in Council, and when we told them to go ahead before the contract was signed, that we were bound in honour to give them due and fair consideration after the changes were made.

Q. Provided they had gone ahead and incurred obligations? A. Yes.

Q. Or expenditures of their own, on the faith of that statement? That would put more weight to the obligation of the Department by the fact of telling them to go ahead.

Q. You mean to say that the mere fact of telling them to go ahead, whether they went ahead or not, created an obligation? A. Yes, I consider it a point of honour to give them consideration.

Q. Then you go on to say in the memorandum: "So long as these conditions are covered by the tenders." Now, the condition of building a concrete dam had not been covered by the tender had it? A. There was a price asked for concrete.

Q. How many yards? A. The yardage is not mentioned in the tender. I think it is mentioned in the schedule of prices.

Q. \$8.50 per yard is mentioned? A. Yes.

Q. But in the tender, as submitted, that really referred to extra work did it not? A. It did refer to extra work or changes that they might make. We asked a price for concrete that is all.

Q. You had a price for concrete, but that price for concrete had been quoted, and as far as anybody knew at that time, it was intended to apply to the small amount of concrete which would be put in the wooden dam at the head of the island? A. I cannot say.

Q. I want to read you what the contractors themselves say on that matter, later on, to see if you contradict it? A. I do not know any of these details.

Q. You must know, as a matter of fact? A. No, I did not go into the details of the construction.

Q. But I am asking you this, when they quoted \$8.50, the idea was that a wooden dam was to be built? A. Yes, that was in connection with the tenders for the wooden dam.

Q. Do not the prices and the lump sum taken together, show that the main construction of the dam was to be of wood? A. Oh yes.

Q. Does it not show that the amount of concrete was to be very small? A. I do not think there is any amount of concrete stated in the Engineer's estimates in connection with the wooden dam.

Q. Not in that estimate but you will find an estimate in which it was quoted; one of the tenders was from Mr. E. J. Rainboth of this city? A. Yes.

Q. In his schedule, he not only gave you unit prices, but he put in quantities? A. He put his own quantities.

Q. He was an engineer? A. Yes.

Q. And he would be making these quantities from the plans which had been made for the wooden dam? A. Well, there is no concrete on the plan.

Q. There is some in the specifications? A. I do not think so.

Q. How did you come to ask for unit prices if it was not shown? A. We often cover other contingencies in case we might need to put in concrete.

Q. Do you mean to say that when you were asking for prices for concrete for the wooden dam, you neither showed the concrete on the plan nor in the specifications? A. I do not think there is any concrete shown there.

Q. Mr. Rainboth, as engineer, in quoting two hundred yards, would have no foundation whatever on which to base that amount? A. No, there is nothing shown on the plan to my recollection.

Q. Nor in the specifications? A. Not to my recollection.

Q. And you would have to guess at the amount? A. I do not know; he might have thought in putting concrete to level off the bottom of the river where rock was shown that his cribwork would have a better setting, and he would have allowed for that probably. Of course these are contractors methods.

Q. I find that Lumsden put in a tender referring to the quantity as one thousand yards? A. Yes.

Q. And I find that Conroy and Kirby & Stewart did not mention the quantity, but I want to ask you this: You said that a comparison of the unit prices with the quantities showed that these parties in making up their bulk tender, had applied these prices to the quantities? A. Yes, to their own quantities.

Q. Bearing that in mind, don't the bulk prices show that all of them had figured on a very small amount of concrete? A. They did.

Q. The original plan contemplated a very small amount of concrete? A. They did figure on a small amount according to their figures there, but I am firm in saying that according to my recollection, there was no concrete shown on the plan and no concrete mentioned in the specifications.

Q. But the original plan, whether it may show that or not, contemplated only a very small amount of concrete? A. These are figures put in by the tenderers.

Q. I will put it another way—when the Department prepared the plans and asked for tenders for a wooden dam it was intended for only a small amount of concrete? A. I cannot say if only a small amount of concrete was intended, because there was none shown on the plan. Only the Engineer could answer that.

Q. Then you mean to say that when considering the price that had been quoted for concrete, and in deciding whether you should call for new tenders or not, did you not know whether the various tenderers had contemplated much concrete or little? A. We had the figures.

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Q. I am asking this: You say that you don't know whether the Department had much concrete or little in its mind when it asked for these tenders? A. As far as we are concerned in the Department, I say there is no concrete shown on the plan.

Q. You have said that over and over again, and I ask you whether the Department in preparing the plans for the wooden dam contemplated whether there should be much concrete or little concrete, and you said you did not know? A. I know that for the concrete for the wooden dam there was no contemplation of a large amount of concrete.

Q. Why didn't you say that and save time—then the unit price quoted in the tender was in the contemplation of the contractors and the Department for a small amount of concrete? A. For the possibility of concrete being put in the work, for a small amount of concrete, there is no doubt about that. That is my impression, but I cannot say what was the intention of the Engineer.

Q. I am talking about the contemplation of the Department in building that wooden dam; now we will get down to what the contractors say. Here is what Kirby & Stewart say on December 29, 1910:

“The concrete called for under the original plan was very insignificant in amount, and would not have required any forms. whereas, in the changed plan moulds had to be made for the piers and abutments, the expense for which was entirely unforeseen when the contract was signed, and the placing of concrete in moulds, in piers twenty-five feet in height cost a great deal more than was estimated for the concrete work called for in the original specifications.”

A. I do not know what they mean by the concrete called for in the original plan, because if there is any shown it escaped my attention entirely.

Q. I think you can understand it if you try hard—he says the concrete called for in the original plan. It may be that the actual plan or drawing did not call for it, but he is using the word plan in that relation, not as applicable to the drawing but in relation to the Department's conception of the amount of concrete it was going to put there and he pointed out that the amount of concrete was very insignificant and much less costly than it would be in the kind of work in a concrete dam? A. That would be right.

Q. Then, the amount of concrete work which was undertaken in the concrete dam, would be necessarily much more expensive than the small amount of concrete which would be needed in the wooden dam? A. Well, it would because I can judge that for a small amount of concrete like that it would be less expensive.

Q. Now we will come back to your memo.—I will ask you again, if the conditions surrounding the construction of a concrete dam were covered by the original tenders in your opinion. Did the original tenders cover the conditions which necessarily surround the building of a concrete dam instead of a wooden dam. A. No sir.

Q. They did not? A. No.

Q. Now, Kirby & Stewart are contractors whose head office is here in Ottawa? A. Yes sir.

Q. Have they ever been contractors for the Department of Public Works for other work? A. As to Kirby & Stewart I do not recollect them being contractors. I recollect Kirby furnishing some stone on contract price, I think for the Laurier bridge, of which I was in charge; he supplied some stone there for pavements.

Q. Then as contractors, as a partnership, this was the first work they had entered into with the Department? A. That is my impression.

Q. At the same time did they enter into other contracts for the Kippewa Dam? A. I think they tendered but they were not the lowest.

Q. You mentioned that Mr. Kirby was a contractor—had Mr. Stewart himself, or in connection with anybody else ever been a contractor with the Department? A. I know that Mr. Stewart is a contractor for dredging.

Q. He would be a contractor in connection with your Department for dredging?  
A. Yes, since that time. I did not know him at the time. I did not know which Mr. Stewart it was at the time.

Q. Was he not one of these parties that was connected with dredging contracts at St. John, New Brunswick? A. Yes, he is the same man that has got a contract under the name of the Dominion Dredging Company. They have contracts for dredging down at St. John, New Brunswick.

Q. And they have contracts for dredging somewhere else too? A. They are finishing at St. John and they have done some work at Quebec and in Nova Scotia.

Q. Were they not doing work at St. John, New Brunswick about the time of this Timiskaming contract, when some dispute arose about what is known as the McAvity contract at St. John? A. I cannot say if it was about that time.

Q. Do you remember the McAvity incident at St. John? A. Yes.

Q. And the McAvity's firm was getting some contracts there? A. It must not have been the same time. I cannot say because it did not come particularly under my notice.

Q. Mr. Coutlee has been, since you started on the concrete, and is, up to the present time the Engineer in charge of the work? A. Yes.

Q. He would necessarily be sometimes in Ottawa and sometimes on the work?  
A. Oh yes, he would go very often on the work.

Q. Then there would be an engineer in charge of the work directly? A. Yes, he stayed on the work all the time.

Q. What is his name? A. Mr. Donnelly.

*By Mr. Lake:*

Q. We have not got the advertisement here or the plans or specifications and we have no idea from these papers as to the procedure usually followed by the Department. I would like to know something of that procedure. When a work is decided on, plans and specifications are first drawn up, is that the case? A. Yes, then the appropriation is voted in Parliament. When it is sanctioned the engineers are asked by the Chief Engineer to prepare contract plans and specifications, after the Chief Engineer has prepared a list of all the appropriations and stated that his work is to be done by day labour, if it is repairs or small work or of such a nature, that the work should be done by day labour. Then it goes on the list of contracts as day labour. It is approved generally by the Minister. Then the Chief Engineer sends instructions to all the Engineers giving a list of all the contract work for which they have to prepare contract plans and specifications. These contract plans are prepared at the different Resident Engineers' offices, Halifax, St. John, Quebec and so on, and they are sent to the Chief Engineer, and if he approves of them the typewritten copy of the specification is forwarded to the Deputy Minister of the Department. Then the plans are transferred by the Chief Engineer to the Chief Draughtsman for comparison with the specifications as to whether there are any mistakes, and a number of plans are printed while the specifications are sent to the Printing Bureau to be printed. These come back and the Deputy Minister gives an order to prepare a list of papers for advertising when everything is ready and this list of slips for advertising is sent to all the papers and they advertise it. We generally give from three to four weeks for tenderers to go on the ground and visit the work. Then the tenders are received.

Q. Before that, I presume, the advertisement is read by the would be contractor, but it simply tells him that plans and specifications are to be obtained at the Department? A. It says that the plans can be seen at the Department of Public Works and Resident Engineers' offices where they have been prepared, and if there is no Resident Engineers' office there, they are to be seen at the post office of the locality, where the work is to be done.



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Q. He does not get a copy of the plans and specifications? A. No, except in special cases. When a contractor is in a hurry and wants to go away, the Minister would permit that a plan be given him on which he could calculate the quantities.

Q. Then, the man who is intending to tender, would go to the Department of Public Works and see the plans and specifications in the office? A. Yes, they all come to the office or wherever they are exhibited; we exhibit in three or four places.

Q. If the details are not clear to him, is he allowed to ask questions? A. Yes, the Chief Draughtsman is there to answer all the questions, and if the Chief Draughtsman cannot answer, well the matter is referred to the Engineer who has prepared the plans, for the information that is not very clear.

Q. This information is given by the Chief Draughtsman and at various times as the tenderers happen to come in? A. Yes.

Q. And he may give information to one man quite in excess of what he may give to another? A. Well, he simply answers what they ask. In his information he would give, for instance, asking about the meaning of such a clause, and the meaning of such a detail on the plan.

Q. Is it possible that in connection with this work that any one of the contractors may have asked the Chief Draughtsman whether it was intended that the awarding of the contract be with reference to a bulk sum contract? A. It may have been possible that some contractor asked that.

Q. And that he might have told one of them, who happened to ask that question, no, it will be based on the unit idea? A. It may have been possible if he was asked that question.

*By the Chairman:*

Q. At least the method is open to that possibility, the answer being given verbally and not in writing? A. Yes.

*By Mr. Lake:*

Q. One tenderer would have known that you were going to decide this question on the basis of a unit tender, while another would have believed that it would be decided on a bulk tender? A. Yes, but whether that would make a difference in his tender I cannot say.

Q. Now, if I am tendering for a work, on a bulk sum, would I not put in a considerable sum in excess for unforeseen expenses; would I not put that in to a greater extent than if I was going to be paid as I went along? A. If he tendered on a bulk sum, he puts in a certain percentage to cover contingencies. If he calculates on unit prices, the percentage is generally covered by unit prices. He can increase his unit prices so as to cover certain contingencies for each class of work.

*By the Chairman:*

Q. But the contingencies in unit prices wherever they are specified would be very much less than the contingencies in the bulk price? A. I do not think so because in the bulk price he had to cover the same contingencies, the same unforeseen difficulties, the same cost for his staff and supervision.

Q. No, because when you are following along a work which happens to be more than was first thought, and you have a unit price for it, the quantity of the work is not a contingency because it is provided in the unit price and the more the work the better for him, but in a bulk price it may not be so? A. In both cases he had to cover the same contingencies whether he had a bulk sum or a unit.

*By Mr. Lake:*

Q. The contractor in this case may have it in his mind that some accident might occur in the course of construction on the work, and which, in fact, did occur. In

making a tender for a bulk sum, would he not provide for that contingency? A. They do provide to a certain extent but they take mighty risks sometimes.

Q. On the other hand the contractor who was merely contracting at unit prices need not take that risk into account at all? If part of the works were carried away he would simply go on replacing them, and be paid at the same price for replacing? A. If it was auxiliary work required in the main work the unit prices would not cover that. For instance, if he is obliged to build up staging to carry on his work he has got to cover that in his unit price just the same as tendering in a bulk sum. The staging would not be paid under the unit price. The auxiliary or necessary work to carry on his operations are not covered by the unit price. The unit price includes only the quantities in the work itself. If they do staging or piling to enable them to carry on their work, they are not paid for that, except in so far as it is included in the unit price or in the bulk sum. We do not pay separately for that.

Q. Then, under the heading, you include the unwatering? A. Yes, unless there was an item for unwatering.

Q. Then finally, you have no certainty that one contractor does not get better information than another in connection with the same specifications? A. They all get the same information.

Q. Then, when the advertisement calls for a tender for a bulk sum, one may get better information by saying: Are you sure this is for a bulk sum, is it not possible that it was intended for a unit sum, one man may get better information by saying: are you sure this is for a bulk sum, is it not possible that it was intended for a unit.

The CHAIRMAN.—The witness can very well swear to that because it is an obvious infirmity of the situation. If you gave written information, everybody would get the information alike, but if you are relying on verbal information, it is possible that everybody would get different information. The witness does not know anything more about that than we do and we know it is an infirmity attached to verbal information.

*By the Chairman:*

Q. We have just been talking about the price for concrete in connection with the small amount needed in the wooden dam and I just read to you what the contractors Kirby & Stewart said about the actual value of concrete work. Now, when they were asked whether they would enter into a contract for the dam, did they raise any objections to your knowledge concerning the cost of concrete per yard? A. Not to my knowledge, sir.

Q. They made no objection, so far as you know, to going on with the new dam at the price for the concrete? A. No.

Q. On December 29 the contractors say this: "The work contemplated when the tenders were called for was completely and entirely changed in character and location." A. What they mean there is that later on—

Q. When they signed their contract I suppose? A. No, he means to say that there was, as a matter of fact, an entire change in the character and location of the dam, between the time that the first tenders were called for and when the dam was being built, and that is so. That is a fact.

Q. Is that a fact. They also say in the same letter: "The proportion of excavation to the whole work has been enormously increased, partly owing to the greater depth of the water and partly owing to the much more expensive foundation required for the construction of a concrete dam of the character called for in the amended specification." They say there was a greater depth of water in the changed location, is that a fact? A. I cannot say without comparing the plans. The Engineer will be able to say so.

Q. The location, which was originally at the head of the island, was changed down the stream to be about the middle of the island? A. Yes.

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Q. And, by the way, on the plan it is shown as crossing the island, have you ever seen the work yourself? A. I have been there once and have seen the island and the embankment itself.

Q. Is that of concrete? A. No, just filling.

Q. The island is never flooded with water? A. I don't think so.

Q. They say: "The much more expensive foundation required for the construction of the concrete dam" what do you understand by that? A. Well, they found that instead of hard material they had to deal with sand and they had to go deeper than anticipated.

Q. Pardon me, that is not what he speaks of; he is speaking of the more expensive foundation required for the construction of the concrete dam, in the very nature of such a dam. He goes on afterwards to speak of the condition? A. The deeper they go, it would be the more expensive for concrete than for wood.

Q. And further, if you were laying down a small amount of concrete in connection with a wooden dam you would not have the great quantity of unwatering work in that dam that you would have in a concrete dam? A. I don't think the Engineer expected to go very deep in the first wooden project.

Q. And the contractors say: "In addition to the actual excavation required, we have been called upon to remove a large amount of material from the western channel for the purpose of improving the waterway, apart altogether from the construction of the dam."—What difference would it make in that relation, whether the amount were large or not, if they were getting a unit price, what do they mean by that? A. There was part of the channel on the Ontario side that they had to excavate apart from the dam itself, in order to have the water as at low water there and relieve the other channel of the heavy current. There was shown on the plan a channel to be excavated by them there.

Q. And they say further: "No indication was given of hard pan where boulders were indicated to exist, and the prices were fixed for boulders and not for hard pan." A. Well the Engineer has always reported that it was not hard pan there. He did not find hard pan.

Q. Was it found there as a fact? A. I do not think it was found there, as a fact. Mr. Coutlee will confirm that.

Q. And so far as you know that cause of complaint did not exist? A. They did not find any hard pan.

Q. On February 3, replying to the Auditor General's argument, you say you agree that were it not for special considerations such as the urgent need of commencing the work without delay, new tenders would be asked for—Now, what work that could be commenced without delay could be undertaken at that time of the year on the concrete dam. You are urging that without waiting for new tenders the contract shall be given to Kirby & Stewart. What could Kirby & Stewart do at that season of the year which made it urgent to go on with the work without asking for tenders? A. They could go on at once excavating on the Ontario side which is dry at low water. The low water lasts until April and we have high water then and we have a period of several months in which the work could not be touched.

Q. Now did they go to work at once? A. I cannot say.

Q. Don't you know that they did not go to work until June? A. They delayed, I know they delayed.

Q. They did not go to work, as a fact, until the following June? A. I am not positive as to whether they did any excavation or not, but I was in good faith.

Q. I am not questioning your good faith—I am asking you now, before they actually went to work there was abundant time to get new tenders? A. Yes, as it turned out.

Q. On December 22, 1908, you had written the following to J. R. Booth, Esq., Ottawa:

"It is an utter impossibility now to have the dam built this winter and the contractor will not take the risk of commencing the actual work of construction." A. The actual work of construction meant the dam itself, but there was lots of excavation that might have been made.

Q. Did the contractors Kirby & Stewart agree that they would do any work that winter? A. I cannot say whether they did or not.

Q. Do you know if they agreed to do anything? Did they say they would? A. Not to me.

Q. Or to anybody else as far as you know? A. Not so far as I know.

Q. As a matter of fact, in February, you had decided that new tests had to be made and new plans and specifications, and you ordered them to be made? A. Yes, I was under the impression that it would not take very long at the time.

Q. But you soon found out that they would have to make new tests, because you had looked at the plan of Mr. Perreault and you had seen that the bottom was not indicated with certainty and you knew that would have to be examined into? A. Oh yes, for a concrete dam it was wise to do so.

Q. Now, sometime or another you expected you would be in possession of further information and of plans and of specifications? A. Yes.

Q. And you expected that to be pretty soon? A. Yes.

Q. Then, why could you not have waited until that work was done and then got your new tenders? A. I did not expect such difficulties to turn out as did turn out and then the lumbermen had been pressing the Department to go ahead with the work for a long time, and it had been dragging, and in good faith I tried to hurry up the work as best I could.

Q. And you say that something may have been done in excavating the channel? A. Excavating the site of the dam.

Q. And nothing could have been done in the way of cofferdamming or actual construction until after the spring freshets? A. That was my opinion although the lumbermen said there was time.

Q. In December they said so, but I am talking about February. You knew that the actual work of construction and cofferdamming could not be done until after the spring freshets were over? A. Certainly that was my opinion that nothing practical could be done.

Q. So that when it was decided to go on without asking for new tenders it was apparent that outside of a certain amount of excavation, nothing could be done until the water went down next summer? A. I would not put it that nothing could be done. Preparatory work could be done.

Q. What kind? A. In the way of commencing excavation.

Q. I said that with the exception of excavation nothing could be done until the water had run off? A. No.

Q. Now, when you were speaking a moment ago, about this moral obligation to the contractors, outside of the fact that they had been told that the contract would be given to them, did you know that they had entered into any financial obligations for the work? A. That was my impression but I did not know it positively.

Q. Did you find out positively? A. No, I did not, I do not think I tried to go into their financial arrangements.

Q. When you were contending by argument with the Auditor General against calling for new tenders you did not know of any financial obligation by the contractors? A. Well, I did not know positively. But I was firmly of the impression that they had given orders for some materials.

Q. Some timber? A. Some timber.

Q. They say so themselves; Could not that timber have been taken off their hands and paid for? A. It could certainly.

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Q. It would have to be used by anybody who built the dam? A. Yes.

Q. And if the Government assumed it and paid them for it, any new tenderer who built that dam could have taken it and used it? A. Yes, it could have been used.

Q. Consequently, the moral obligation, so far as it depended on their financial obligations could have been met by simply assuming these obligations? A. Yes.

Q. So far as it was based on the financial obligations they had undertaken, it could have been met by assuming these financial obligations? A. It could have certainly. There might have been some trouble in settling with them.

Q. Was the opinion of the Department of Justice asked at that time, so far as you know, concerning the validity of the objection of the Auditor General? A. Not that I know of.

Q. You knew that the Auditor General was objecting. In his letter he says:

"It is fair to assume that the items and figures are tendered for extra work. To get a more permanent structure it is now proposed to change the plan from timber to concrete, thus eliminating much of the timber and increasing the concrete three-fourths. If the question of the public interest to speedy completion is not raised I do not think the proposed precedent is a safe one to establish when the specification has been so radically altered."

Referring to the timber which might have been ordered, he says:

"The timber part of the work could proceed at once while plans and tenders are preparing for the concrete dam, to be let on a second contract to builders of experience in that line who would take the timber as supplied to them and have it put into their own structure."

You say that so far as you know, the opinion of the Department of Justice was not asked at that time? A. So far as I know I do not remember anything about that.

Q. About two years later, upon the decision having been reached to pay the extra sum to Kirby & Stewart, and the Auditor General objecting to that, the Deputy Minister of Justice was asked for his opinion? A. Yes, by the Deputy Minister of Public Works.

Q. Now, I find that your letter of February 3, to the Deputy Minister, covered by a memorandum from the Deputy Minister to the Minister, dated February 4, was considered, and that the Deputy Minister's memorandum is marked "approved W.P." meaning the Minister, Mr. Pugsley? A. Yes.

Q. And that the recommendation to Council dated February 11th, was ordered to be prepared. In the memorandum from the Deputy Minister to the Minister, reference is made to the objection of the Auditor General and it is overruled by the Minister's approval. On the 11th March the Committee of Council acted on the memorandum from the Minister dated 20th February and approved of the construction being of concrete; you remember that memorandum of 20th February? A. I remember that memorandum about the concrete dam, yes.

Q. Did you take part in the preparation of it? A. I think it was based on some of my memorandums.

Q. Do you remember seeing it before it went over to the Council? A. I am not sure, I must have seen it but I am not sure.

Q. I observe that in that memorandum no mention is made of the fact that the Auditor General had objected to the legality of the whole transaction? A. To change to concrete instead of the other.

Q. Yes, no mention had been made of the Auditor General's objection, or of the discussion between you and the Deputy Minister and the Auditor General? A. The Auditor General objected to the contract being given without calling for new tenders.

Q. In the memorandum to Council that is not mentioned as a fact? A. I suppose not.

Q. Can you give me any reason why Council was not informed of this written objection by the Auditor General? A. I cannot say.

Q. The Council would not be in possession of all the information about the matter unless it was informed in the memorandum or by the Minister? A. Well sometimes the memorandum of the Engineer or my own memorandums are attached. I cannot say if they were attached in this case.

Q. In case of attachment I suppose the memorandum would refer to certain documents as being attached? A. Yes.

Q. There is no memorandum of that kind here and therefore Council would not know of that objection except it heard it verbally through the Minister? A. That would be the only source.

Q. In that memorandum dated February 20th the Minister uses these words, referring to the four tenders received for the wooden dam:

“The tenders above mentioned, in addition to bulk sum prices give the unit prices for each class of material, including cement, and applying these prices to the approximate quantity of material in the work, the amount of various tenders for the construction of the dam of concrete, would be as follows.”

I want to draw your attention to the peculiar wording of that; he says:

“The amount of the various tenders for the construction of the dam of concrete.”

There had been no tenders for the construction of the dam of concrete? A. There had been no plan at the time, only the quantities obtained from the Engineer.

O. I am taking these words because they may be misleading, on February 20th, and afterwards there were no tenders for the construction of the dam of concrete, were there? A. There were not at the time.

Q. Was there ever any such tender? A. Only for the concrete included in the first tender.

Q. Then the Minister's memorandum uses this expression: “Messrs. Kirby & Stewart's still remaining the lowest tender on the altered condition.”—Your last answer applies to that; there was no tenders on the altered conditions? A. Altered conditions” mean there the change from wood to concrete.

Q. There were no tenders on the altered conditions? A. There were no tenders on the altered conditions.

Q. There were tenders in which a unit price had been mentioned for some cement and that might be applied by the Minister to a greater quantity of concrete, but no tenders were ever received for such. A. No tender was ever received.

Q. And therefore this language might create a wrong impression? A. I do not know. The cribwork was simply replaced by concrete and calculated at their own price.

Q. Now we come to another question—in the unit prices given in the four tenders received there is a very great uncertainty in the matter of unwatering. That phrase unwatering has been assumed all along to cover cofferdamming? A. Cofferdamming and pumping.

Q. And included within the word “unwatering.”? A. Yes.

Q. Both would be necessary to unwater the stream? A. Yes.

Q. I find, for instance, that Kirby & Stewart put a bulk sum, it is called in the schedule, of \$4,000? A. As a unit.

Q. They call it bulk? A. Yes.

Q. Conroy & Conroy put \$20,000, Rainboth puts \$15,000 and Lumsden puts \$54,994. Now, I furthermore find this in your letter dated February 9:

“Moreover a great factor in the cost of concrete in the case of dams is the cost of coffer damming required, which in a difficult location may raise the price of concrete to much higher figures than those given. Cofferdams will be required at Timiskaming, and unforeseen difficulties in unwatering may be

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encountered. Therefore, I have no hesitation to state that \$8.50 per cubic yard "is fair and reasonable."

Now in using that language you are assuming that \$8.50 per cubic yard would cover the cost of coffer damming and unwatering? A. Would cover the cost of unwatering and coffer damming within the view I had at the time of the difficulties that might be encountered, but these difficulties have gone much beyond our expectations. I must be frank about that.

Q. Now, \$8.50 quoted by Kirby & Stewart, per cubic yard, at that time did not cover the cost of coffer damming it? A. It turned out it did not.

Q. Now I find that the Minister in that memorandum of February 20th, uses this language—I confess I don't understand it myself but perhaps he did—after speaking of the change to concrete in order to give a permanent character and reduce the cost of annual maintenance of the dam, he said:

"Moreover a great factor in the cost of concrete in the case of dams is the cost of coffer damming required, which in difficult location may raise the price of concrete to much higher figures than those given. Coffers damming will be required at Timiskaming, and unforeseen difficulties in unwatering may be encountered."

He practically uses your own language there. Then he goes on to say:—that applying \$8.50 per cubic yard to the quantities of concrete that were estimated at that time Kirby & Stewart's would be \$108,050 and advises the acceptance of the tender. Now, does not that imply that the cost of unwatering, including coffer damming and unwatering, would be included in the \$8.50 that was to be paid to Kirby & Stewart? A. That was implied at the time plus their \$4,000.

Q. Will you kindly look at this Mr. St. Laurent,—there is a memorandum called "Original Quantities for Concrete Dam," who prepared that table? A. I did.

Q. The document entitled "Original Quantities for Concrete Dam," is made by you, and it gives a total which indicates a dam largely built of concrete, and the total of the tenders were quoted in the Ministers memo. dated February 20th. Now, when you quote the figures of other tenders, to show how much the concrete dam would cost if they built it, you put in the original amount they had suggested for unwatering? A. Yes.

Q. So that Lumsden's figures for the concrete dam amounted to more than Kirby & Stewart's, largely because Lumsden put in \$55,000 for unwatering and Kirby & Stewart only put in \$4,000? A. Yes.

Q. As a matter of fact, Lumsden's figures for concrete were fifty cents a yard less than the other man? A. Yes.

Q. And it is only by adding the cost of unwatering to the cost of the concrete that you make Lumsden's higher? A. Yes, on the items mentioned there.

Q. On March 19, 1909 I find that the contractors were notified:

"Your price for concrete per yard, as stated in your tender, and the sum mentioned for unwatering is to cover coffer damming which you may require to build the dam? A. Yes.

Q. So that they were informed in writing that they were to get that much for building the dam? A. Yes, we did not want any misunderstanding.

Q. The contract with Kirby & Stewart which is signed in June, 1909, provided, in accordance with that notice, that the coffer damming was to be included? A. Yes, I do not know if that was actually put in the contract, but that is the notice we gave them, so that there would be no misunderstanding about it.

Q. You do not know that these precise words are in the contract? A. No, but I remember the letter.

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Q. Have you the actual contract in your Department? A. Yes it is in the office of the law clerk.

Q. When you come back as a witness the next time I wish you would bring the contract? A. Yes.

*By Mr. Lake:*

And bring the plans and specifications also? A. Yes.

(The witness later produced the contract with Messrs. Kirby & Stewart, of date July 22, 1909, attached to which are the specifications. He also produced a copy of the amended concrete plans.)

*By the Chairman:*

Q. Going back to the time, in the early part of 1909, when you were considering the question of tenders for the concrete dam, there would be frequent conversations with Kirby & Stewart? A. Before they signed their contract, I don't think I met them more than once or twice; I never saw them very much.

Q. When in the winter time, you were getting ready for that minute, which went to Council advising that Kirby & Stewart should be given the contract for concrete, on the basis of the figure in the original tender, they must have been consulted then, I suppose? A. They used to call on the Deputy Minister, and I think I was called in once or twice.

Q. They used to call? A. Yes.

Q. The point I want to get at is this:—do you personally know whether the other tenderers were told that the Department were considering the construction of a concrete dam in place of the other, and had before them the tenders that had been put in for the old dam, and asked these others if they would like to go on and build the concrete dam? A. No sir, only the lowest tender was considered.

Q. And they were never discussed with at all? A. Not with them; their tenders being higher than the lowest they were put aside.

Q. They were never given a chance whatever to come in and say whether they would modify or not in view of the large concrete structure that was contemplated? A. No.

Q. Or communicated with in any way? A. No, of course I am speaking so far as I am personally concerned.

Q. On December 13, 1910, Mr. Coutlee made a report to you in relation to the Timiskaming dam; do you remember that? A. Yes.

Q. On that same day, Mr. Coutlee addressed the contractors a letter which is marked 'approved W. P.' He says:

"I am instructed to say that the Department will extend the time to June 30, 1911, if your company will give an assurance that the work will be pushed during the winter by the employ of increased force, and overtime work."

You were aware of that letter? A. Yes, we were trying to get them to move and take some steps to finish.

Q. The letter of December 13, from Mr. Coutlee to you being dated the same day as that letter to Kirby & Stewart, would probably be the subject of consideration on that day? A. Well on days previous there would be discussion. I may tell you what happened in this connection. Kirby & Stewart one day, called on the Minister and I was called in and they represented to the Minister that they were losing money, that they could not carry on their work with the prices they had, and they brought up the question of increased prices on the excavation. They complained about unfair treatment in the classification of the excavation, that they should be paid more, that what they were paid for at the rate of fifty-five cents for common earth they should be paid for boulder formation, which was about \$1.40. They had three prices for



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excavation. They represented that they were unfairly treated by the Engineers in the classification, that they were losing money all the time, and so the Minister called me in and asked me to look into the matter. I called in Mr. Coutlee and we had several discussions together and finally reported to the Minister that nothing could be done about the classification, that they had been fairly treated, and their prices were right, and that they could not be paid any more than they had been paid for excavation. This was the result of several discussions with the Engineer, but in considering the matter the Engineer reported that there was a question of unwatering on which they had an expenditure so much in excess of their tender price for unwatering, that that was a fair matter for consideration. Then I was asked to consider the matter in equity and I obtained some reports from the Engineer at the time and a recommendation was made for consideration for the unwatering. We did not recognize their claim for further money on excavation.

Q. The matter began then in the contractor making a claim on the Minister verbally? A. Yes, they were there and I was called in.

Q. Who were there with the Minister? Were they alone then or did they have somebody with them? A. There was Mr. Kirby and Mr. Stewart, and there might be the private secretary, I cannot say.

Q. You were called in and discussed the matter? A. Yes, and the Minister referred the matter to me.

Q. Then, the letter from Mr. Coutlee to you was prepared after the discussion had taken place? A. Oh yes, the matter had been discussed.

Q. And this letter to you was a letter that was prepared in order to pave the way for the recommendation that you were going to make for coffer damming? A. Yes, we were asked in equity if they were entitled to further consideration.

Q. This is not a letter that emanated voluntarily from Mr. Coutlee to you in the course of his duties, but one that he was asked to prepare because you were considering the matter of paying them more money? A. Because the matter was brought to the attention of the Minister.

Q. That is, that they wanted more money? A. Yes, they had a claim.

Q. The letter, in other words, was prepared in order to provide a way in which to give them more money? A. I would like to be fair to Mr. Coutlee. Mr. Coutlee would not report anything that he did not want to report.

Q. I am not aspersing your motive at all at present, but the contractors having represented that they were losing money and your Department having cast around for some way you could allow them more money, agreed that in your view the equity of the thing struck unwatering and coffer damming. A. We were not casting around. The contractors had made their claim, and we considered the thing item by item.

Q. But you could not give them any more on some of the claims? A. There were some of these claims which we could not allow anything on, and there was the unwatering and the Engineer said that the cost of unwatering was going so much beyond what the contractors had expected and what the engineers had expected that there was this fair matter for consideration. Then we asked him to make a report.

Q. Quite so, Mr. Coutlee did not voluntarily, before he was invited to do so, report that they ought to have more for unwatering? A. No it was they who brought the attention of the Department to it.

Q. And you personally did not look into or report upon giving them more for unwatering until they had drawn attention to it? A. No, though I was aware they were meeting difficulties.

Q. And neither was this report provided about the watering until you had decided they had no just claim for excavating? A. No it was considered at the same time.

Q. Then Mr. Coutlee was instructed to prepare a report upon this point, and the report of December 13 was the result? A. That is the usual practice followed

when a claim is brought to the notice of the Department; the Engineer always asks a report from the Engineer in charge.

Q. But it does not appear from what you have said, that these men commenced to make a claim on the ground of unwatering; they started to make a claim on the ground of excavation? A. That was one of the items.

*By Mr. Lake:*

Q. They asked for the other consideration later on? A. Yes.

*By the Chairman:*

Q. Now then, that letter of the 13th was not immediately acted upon apparently by the Minister and was not acted on until the 4th of January, the next month? A. I cannot say what time elapsed.

Q. Anyway, before it was acted upon, there is a letter from Mr. Coutlee to Kirby & Stewart, telling them to go ahead rather than giving them any extension of time? A. An extension of time is usually granted in order that their contract may not be void.

Q. Then it was granted for that purpose. Looking then at Mr. Coutlee's letter of the 13th December, I find this statement:—

"The contractors began work in June, 1909, but only signed the contract on the 22nd July, 1909". I find in another place the statement made that they had their material bought in June, 1909, and I find in another place that it was on the 12th July, 1909, that the Engineer handed over the plans and specifications, ten days before the contract was signed. Now, who authorized the contractors to go on the work and commence operations before they had actually signed the contract? A. That was in virtue, I presume, of that general authorization they had from the Department to go-ahead.

Q. Is it not a statutory provision that work shall not be begun by the contractors until the contract had been signed? A. There must be something to that effect I think, but there are exceptions.

Q. Don't you remember that there is an express statutory provision that work shall not be begun by contractors until the contract has been signed? A. I do not remember having seen it, my impression is that there must be something of that kind.

Q. Then it goes on to say: it was after the second Order in Council (that is the one which authorized the change from wood to concrete on the 18th May, 1909,) that the present location of the Timiskaming dam was adopted, and the contractors visited the site with their manager before the first of May; their plant was on the the work about the end of May; the general and detailed plans were completed in June; it will be seen from the above that a very considerable change in the plans was adopted after the second Order in Council. Now, did the change in location naturally increase, not only the amount of work which had to be done but the value and cost of the kind of work that had to be done, so that men being paid at unit prices on one location, would not be fairly paid by the same unit prices on another location? A. I don't quite understand the difference.

Q. Mr. Coutlee here is arguing in favour of some allowance to the contractors, some equitable consideration to the contractors upon the ground that after they were given the contract the location was changed, and by that change was made more expensive for them to do as well as more costly for the Department to pay for? A. Well I believe that the depth of water and the current in one of the channels must have been greater than where the dam was located before.

Q. So that the change in location would have a marked effect upon the expensiveness of the work? A. I believe so, not in all cases, but in that case anyway.

Q. Was that change in location ever brought by any memo. with which you are acquainted to the attention of the Privy Council? A. Well I think it is mentioned in some of the Orders in Council, is it not?

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Q. Now, such a mention would be absolutely necessary in order to apprise the Council of the greatly increased cost of the work, would it not? A. Oh yes, such a change should be mentioned, if it was not mentioned it was an oversight, because I believe I mentioned it in some of my memos.

Q. The minute of the 24th January, 1911, in which it was proposed to assume the coffer damming of the Quebec channel from the contractors and pay them for it and a percentage of profit, appears to be the first mention in any of the memos. or minutes of Council of the change in the location? A. I cannot say as to that.

Q. You say it should have been mentioned? A. There was no reason why it should not have been mentioned.

Q. Well, this letter from Mr. Coutlee was followed up by a long account, from the historical point of view, in the form of a letter, dated the 29th December, 1910, from the contractors, Kirby & Stewart, to the Minister of Public Works. It is a long type-written document of seventeen pages, do you remember of having seen that? A. Was it their claim.

Q. Yes; do you remember having seen that? A. Yes, I remember, the first time when they came to make their claim verbally and we started to discuss the matter, I said you should put in your claim in writing, and probably that was the outcome of it. They just had at the time a few notes, and I said you should put in your claim and state your reasons for claiming in writing.

Q. In that letter I find that the claim they put forward is:

"We respectfully request that your Department will assume the expense of unwatering and excavation yet to be done." I should gather from the tone of that and comparing it with Mr. Coutlee's letter and what you have told me, that they had been by that time apprised of the view of your Department that they were not entitled to anything more for the excavation they had done, but that they might have the sympathy of the Department in any claim for unwatering and coffer damming? A. I think they state there for extra excavation.

Q. No, they say, for any further excavation still to be done? A. They wanted a higher price for excavation than they had been getting, and after a good deal of consideration we did not think they were entitled to any more, and that their prices were fair, but the unwatering, we were convinced by the report of the engineer that that was a thing that was gone so much beyond the expectations—

Q. You told them that? A. I do not think I told them that at the time.

Q. You think they were told? A. I do not know, I did not tell them myself.

Q. The reason why I am putting that question to you is this—in their letter dated 29th, they do not wind up by asking to be paid any better price for excavation which they began with verbally, but they wind up by asking that they be paid for the coffer damming and unwatering at the cost, not the price, of the excavation still to be done. Does not that letter indicate that they had been told what the views of the Department were, and they were writing a letter to assist in that? A. Not necessarily, because they were told that these matters would be taken into consideration and they would be fairly treated. That is all they were told until the recommendation was made.

(The witness here produced a negative of the original plan prepared under Mr. Brophy for the wooden dam and in reply to the Commissioners stated that he would have proofs of it made.)

*By the Chairman:*

Q. On the 4th January, 1911, the Minister submitted the memo. to the Committee of the Council, and the Council acted on that memo. on the 24th of January, and it is the memo. in which the Minister recommended that the contractors were entitled to consideration on account of the greater amount of coffer damming and

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unwatering required, and that therefore all the cost of coffer damming and unwatering to complete the dam across the Quebec Channel, plus fifteen per cent for incidentals, &c., should be paid to them by the Department? A. Yes actual cost plus fifteen per cent.

Q. As reasons for that memo. he refers first to the decision to change the site of the dam and alter the plans, but that was a decision which was made before the contract which Kirby & Stewart had signed. There were no changes made after the contract was signed? A. I cannot say there was a change of location after the contract was signed; the change in location developed during the studies made by Mr. Coutlee.

Q. And the larger amount of work involved in the change was on account of a change which had taken place before the contract was signed at all? A. Yes, and after the contract was signed they found that there was much more work than they expected according to the new plan.

Q. Then I find this expression that the tenders received, based on the amended quantities and unit prices submitted—and I want to point to the peculiar language there—the tenders received were not based on the amended quantities, were they? A. Well, as to that—

Q. I am asking you what the language means; that the tenders received are based on the amended quantities and unit prices. There were no tenders received based on the amended quantities? A. No.

Q. Knowing what I do now, I can guess what might have been meant, but I am taking what the language would mean to a person who did not know the whole history of the thing. I find further expression: "The Engineer reports that the contractors have so far executed their work in a first-class manner and have shown good will to meet the changed conditions." That statement is made on January 4, 1911. Now on the 12th of the previous December, the Engineer on the work reported to the Chief Engineer that the outcome of the waste of time in 1909 was serious? A. There is no doubt that there was some time wasted for certain reasons that I do not know. We kept after them all the time and they were always willing to go ahead and to put more men and more material, and then they would bring more men there and the men would leave. They had awful trouble with labour.

Q. I find this statement made on February 24, 1911, just a few days after that memo. from the minister. This statement is made by Mr. Coutlee to yourself in a letter:—

"Mr. Donnelly has been trying his best to direct the work at the Timiskaming, as the Department is paying for the extra coffer dam work. The contractors, Messrs. Kirby & Stewart are never on the work themselves, and never have been. Their negligence amounts to a breach of faith with the Department, as it is a critical phase of the operations, and I wish to protest emphatically."

Then I find him writing to Kirby & Stewart, the contractors: "The conditions of your contract at Timiskaming is ridiculous and amounts to a breach of faith with the department." That meant a breach of faith for what? A. For not pushing their work as desired.

Q. Now, this letter dated the 24th February, must have referred to the work which had been done, or left undone over a considerable time, did it not? A. It must have been referring to work which they had attempted to do and which was not proceeding in a satisfactory manner.

Q. But this is very strong language. It not only says there have been delays but it says it is ridiculous and he says more than that, that it amounts to a breach of faith. I do not know that I ever saw more pointed language used to contractors in my life? A. The breach of faith means that they had promised us to take all steps necessary to go ahead and get the labour and appliances.

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Q. Furthermore, it says that the contractors themselves had never been upon the work? A. I do not know anything about that.

Q. Does not that mean to say that they have neglected their duty? A. If they had not been on the work they certainly did neglect their duty.

Q. I am drawing your attention to this, that while you are using in the department between yourselves and the contractors such language as that, the Minister is reporting to the committee of Council, in order to induce the committee of Council to give the contractors more money, that the Engineer reports that the contractors have so far executed their work in a first-class manner and have shown good will? A. Yes, the work they executed was certainly first class, I have seen it.

Q. Were they showing their good will by neglecting the work? A. I remember Mr. Coutlee telling me that they were always ready but they didn't take the proper steps or they met with such difficulties that the results were not the same as desired by the Department.

Q. I have pointed this out to you—the Department is endeavouring to get the approval of Council to a large sum of money being granted to the contractors, additional to their contract, and you can see the council knows nothing except what is represented to it from time to time in writing, and in the writing it is said that the contractors are executing their work in a first-class manner and showing good will? A. Yes.

Q. Now, is that statement to Council fair to Council, when your department is using such violent language to the contractors about the way they are neglecting their work? A. Well, for their delay. The work they did was excellent, and I think the Engineer will tell you that.

Q. Does not the memo. to Council omit any mention of delay on their part; it naturally was serious was it not? A. That delay was very annoying.

Q. Was it not very serious? As a matter of fact was not the coffer dam a short time afterwards all swept away out of the Quebec Channel? A. Part of it was swept away.

Q. That would not have occurred if the dam had been built in the previous summer? A. They had no time to build it on account of the difficulty in coffer damming. We expected they could, but they built their coffer dam and they tried to unwater for two or three months and they could not get the coffer dam dry so as to start the men down.

Q. What breach of faith had the contractors been guilty of? A. I cannot say exactly what Mr. Coutlee meant by the words "breach of faith" but as I understand they had promised to do their best and carry on the work to completion, but it was not done in the end.

Q. Were they blameworthy or not? A. I do not know about that. The difficulties were such I do not know that they are to blame entirely for the delay. They certainly did delay, there is no doubt about that.

Q. In that Minute of the Minister to the Council is the Council properly apprised of the fact you have just sworn to, that there had been grave delays for which the contractors were responsible? A. This might have been mentioned but it is not usual to mention all these details.

Q. Furthermore, in consequence of the delay, and therefore of the season, the building of the coffer dam across the channel became more expensive, you had to house it and heat it in the winter time? A. We made the arrangements to house the concrete if it had been done, but they did not do it.

Q. If it had been done in the summer time there would have been no need of housing and heating? A. No, but there is no chance to do it all in the summer time, because the season is too short.

Q. Might it not have been done much more rapidly than it was done? A. That is a fair question to ask but it is very hard for me to answer on account of the

difficulties that have been encountered. I blame the contractors for delays time and time over again, but I am aware of such difficulties now that have been encountered, that I wonder if I was right to blame it all on them.

Q. We will put it this way; whether they were to blame for the delay or not, the long delay that had in fact occurred or the slow progress in getting the coffer dam and the dam across, was making it much more expensive and difficult work for winter?

A. Yes, for winter work it would be much more expensive.

Q. No matter who was to blame? A. Yes.

Q. Now, then, in considering whether the contractors should be relieved or not, the most important question in equity would be whether they were to blame for the delay, or whether it is unavoidable? A. Yes.

Q. In order to do equity you would have to ascertain who was responsible for the delay? A. We certainly did consider all these things, but let me explain, Mr. Commissioner, the coffer dam could be commenced only after the high water. It takes a long time to build and it did in that case anyway, on account of the rapid current and some of their cribs were upside down and it took a long time to get the coffer dam across. When it was across, winter was on, and they had to build a secondary line of coffer dams to decrease the head against the first one in order to ease off by punping. Then they started to pump in January, and we all hoped—I was not there but the Engineers hoped anyway—that in fifteen days it would be dry, but it took them until some time in April to get it dry. Now, to point out that it would be impossible to get the coffer dam ready in time to make the concrete before the winter set in—

Q. My question is very simple after all, and can easily be answered—who was to blame that greater progress had not been made up to this time in January, when the memo. was sent forth? A. I would say the contractors and nature.

Q. You don't know which was the most to blame? A. No.

Q. When the Council were asked to consider, to use your own words, the equity of the position, was not an important question in the equity of the position: who had been to blame for the delay? was that not an important question? A. That matter must have been discussed probably between the Minister and the Council.

Q. When you are considering the equity of a contractor to have a larger amount, is not one of the questions which enters into the equity: have you been to blame for delay? A. Oh yes, that was considered.

Q. If it was considered who was to blame? A. Well, we considered what the contractor had done in the way of delay and we found they had encountered—and in fact in my own conscience I considered that the difficulties outbalanced so much the delays that might have been laid upon the contractors' shoulders, that I did not hesitate to recommend that they were entitled to fair consideration in connection with the unwatering.

Q. And you did not think it necessary that Council should be informed of all the surrounding circumstances? A. I certainly did think it necessary that they should be informed of everything.

Q. They were not informed were they? A. They were informed probably through the Minister.

Q. They might have been informed; you don't know what the Minister said? A. I don't know, but so far as I am concerned everything was open.

*By the Chairman:*

I do not say it was not.

The further examination of the witness was adjourned to be resumed on Tuesday, January 23.

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## PUBLIC SERVICE COMMISSION.

OTTAWA, TUESDAY, January 23, 1912.

## PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.  
R. S. LAKE, Esq.  
*Commissioners.*

THE EXAMINATION OF ARTHUR ST. LAURENT, Assistant Deputy Minister of Public Works, was resumed.

The witness produced original contract plans, upon which tenders were called for the wooden dam; consisting of two sheets, one a general sheet showing the dam, and the other a sheet showing the dam in relation to the position and some details.

*Examination by the Chairman:*

Q. With relation to that plan, it shows the position proposed for the wooden dam at the upper or northern end of the island? A. Yes.

Q. The middle section was a bulkhead connecting what? A. Connecting the sluice ways for the passage of the water.

Q. And also connecting the two ends of the dam proper, the Ontario Channel and the Quebec Channel? A. Yes.

Q. At that northern end of the island where the bulkhead is shown, would that be on dry land or in shallow water? A. That would be on dry land to the low water line here, and quite a little part would be in shallow water.

Q. Now, you have spoken of the representations made by the contractors that they were losing money and requiring some further consideration; did the contractors go to the extent of saying that they were unable financially to carry on the work unless they were assisted, or did they merely base their claim upon the ground that they were losing money? A. They did not go to that extent to me at the time to say that they could not carry on their work. The matter was referred to me for study and report. I heard them say that they were losing money and the Engineer gave his opinion that they were certainly losing money in connection with the unwatering.

Q. Did they say they were losing money on the whole contract? A. That is what I understood, sir.

Q. I want now to get at your understanding—there would be a difference in the condition of contractors who came before the Government and said: we are financially unable to proceed with this work, and the position of the same contractors coming forward and saying: we are losing money by the contract. Because, on the one hand the Department would have to consider that if they were financially unable to proceed with the work, the Department might have to take it up anyway, while in the case of losing money, the contractors would be merely having one end of the risk that the contractors take. What I want to get at is this: so far as you know from what took place was the representation of the contractors that unless they were helped they would have to abandon the work; did they go that far? A. Not before me.

Q. Before you, they merely represented that they were losing money on the contract? A. Well, that they were losing money on excavation, and wanted a higher price, which was one of the main factors of the contract. The main factors were concrete, excavation, and unwatering. They were losing money on unwatering.

Q. It was apparent they had estimated the unwatering too low, regarded as one thing? A. Oh yes, that was very evident.

Q. Then in addition to that which was quite evident to anybody, it would be evident to any sane man from the very beginning of the concrete structure that \$4,000 for unwatering would be entirely inadequate? A. That was apparent. I thought it was a very low price.

Q. The \$4,000 for unwatering originally had not been thought of in connection with the concrete dam? A. Originally, I do not think they did think of the concrete dam.

Q. We will come to that now—in unwatering for a wooden dam, such as was originally intended, how would the unwatering for such a dam differ from the unwatering which would be necessary for a concrete dam; would it be as much or less, suppose they had gone on and built the wooden dam? A. There were two different ways of building it. They might build their wooden dam on the dry and then they would require a certain amount of unwatering as for concrete. The contractors might suppose they could build their cribs on shore and simply sink them in place after having, I presume, cleared the bottom in some way, with some appliance or dredging. They might presume that and this would be one of the causes for the low tender for unwatering.

Q. Now then, in that latter case, would any unwatering be required, in building by the method of floating the cribs and sinking them would any unwatering at all be required? A. There would not be any unwatering at all; well, I must think of the sluiceways there. In this case, yes, on account of the sluiceways they would certainly require coffer damming.

Q. In building sluiceways through the wooden dam, some coffer damming would be required? A. Yes.

Q. The crib method could not be altogether used? A. It could be used only on parts where there are no sluiceways. There were sluiceways at the two ends of each channel.

Q. How many sluiceways would there be in the Ontario Channel? A. It is mentioned in the specifications, but I see from the plan that there are twenty-two sluiceways each twenty feet wide.

Q. How many sluiceways in the Ontario Channel are shown by the specifications? A. The specifications give the number of piers but do not give the number of sluiceways. But we can find them out from the number of piers. There are twenty-two sluiceways on the Ontario side and twenty-two on the Quebec side. They would want a continuous coffer dam so that they could build these sluiceways.

Q. That is different from what you said when you started? A. Yes, I correct myself.

Q. You mean to say that the original plan for the wooden dam required continuous coffer damming across both channels? A. That is my opinion. Moreover, in all these piers that he mentioned, this work would have to be done in the dry.

Q. You say as an Engineer then that the amount of work required in that dam made it necessary that the work should be done in the dry? A. Yes.

Q. And that they could not have floated the piers and sunk them according to the plan? A. Well, you see there is a base there. They could have floated and sunk the base to the bottom of the whole dam.

Q. Without having coffer dams of their own? A. Yes, they could do that and clean the bottom.



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Q. They could clean the bottom, float out the base, sink it, and they would require no coffer dam, but they would have to coffer dam afterwards when putting in the bents? A. Putting in the bents and anchor bolts.

Q. Would there be any advantage in not coffer damming at the outset? A. They would have to do it.

Q. As they would have to coffer dam in order to put the bents and sluices in they might as well coffer dam at the very beginning? A. Yes.

Q. If they coffer dammed at the very beginning for the wooden dam that was no more than they would have to do for the concrete dam? A. They would have to coffer dam just the same as for the concrete dam but the pumping and keeping dry would be very much more expensive on account of the greater depth that they would have to go in the foundation.

Q. But the pumping might be very much more because for the concrete dam they might have to go very much deeper for the foundation. Now, the risk that they might have to go deeper for the foundations of the coffer dam was apparent of course the minute you decided to have concrete; it was a fact that you were going to have a concrete dam that raised the point that they might have to go deeper? A. Oh yes, we had to be more careful about the foundation.

Q. Therefore, when it was decided they should have to contract for the concrete dam, care was taken to point out to them that the sum which they had named was to include the whole of the coffer damming and unwatering? A. Yes, that appears in the correspondence.

Q. That is the reason you drew their attention to it? A. Quite so, yes. Might I add that of course it was not expected that it would turn out there would be so many difficulties met with in unwatering. Might I explain in connection with the change from wood to concrete that this was not a decision which I took and wrote a memorandum about at once. I had it in mind as a general principle first and I kept it in mind and delayed and delayed and it took me some little time to make up my mind to make a memo. to recommend the principle of concrete in the dam and go over the head of the Chief Engineer. That is a prerogative of the Chief Engineer to make these recommendations. He was ill at the time and I kept it in my mind quite a little while before I decided to prepare a memorandum. These details connected with the dam just grew on me and I do not know at what time exactly I thought there was something doubtful about the foundation.

Q. There were three main things about this, first there was the decision to build it of wood? A. Yes, I had nothing to do with that.

Q. Then there was the decision to build it of concrete and you have explained that? A. Yes.

Q. Then there was the third matter, about changing the location? A. Yes, that was brought in by the Engineer.

Q. You might have built it of concrete in the old location? A. Yes, we might, only that the Engineers made their choice of location. Mr. Coutlee will be better able to explain these details.

Q. As a matter of fact, in your opinion, was the construction of the dam made much more expensive by changing the location? A. That is what I have been told by the Engineer; I cannot find out exactly the reason.

Q. Would you indicate to us what may have made it more expensive? A. The greater depth of water and the swifter current that they had in the new location. If I remember well the rapid began above the head of the island where the original location was and then it dropped more suddenly and the current becomes very rapid there. Of course construction is always more difficult in rapid currents.

Q. There were two things you say, one was that there was a greater depth of water, and the second, was that there was a more rapid current? A. I say that, under correction of the Engineer.

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Q. Yes, that is your suggestion, you were not on the work; that greater depth of water and the more rapid current, two things due to the same cause, would result in greater cost; the changed location brought you down to the narrow part of the channel? A. Well, I think it was narrower there.

Q. The channel contracts there? A. Yes.

Q. The point I was asking you about is this: That in consequence of the narrowing of the channel at the site chosen for the concrete dam the water would be deeper and the current more rapid than where the wooden dam was to be placed? A. Well, I think there would be no great difference in the depth of the water there.

Q. The greater volume of water would make the current run more rapidly? A. Oh, yes, the rapids are much stronger there.

Q. Therefore the greater rapidity of the current would make the coffer dam more difficult? A. Oh, yes.

Q. And the danger of scouring much greater? A. Oh, yes.

Q. Was the fact that a location was decided on there brought, so far as you know, to the attention of the Committee of Privy Council and sanctioned by the Council? A. The fact of the change of location.

Q. Yes? A. I cannot remember. I would have to look at the recommendation to Council.

Q. So far as the files show, it was not, and so far as your memory is concerned it was not? A. Not that I know of. Of course we apprised the Minister of all the facts and of course the discussion in connection with these things takes place in Council and we would not know anything about it.

Q. The fact of the change of the location would be known to the Minister? A. Certainly.

Q. The Minister may or may not have verbally informed the Council and that you have no means of knowing? A. I have no means of knowing.

Q. I was referring to the written memorandum to go to Council; the files show no such information in them, and I was asking you if from your memory you knew the change in location had been brought to the attention of the Council and you say no? A. With reference to the change from wood to concrete we did not know there would be a changed location.

Q. When the memorandum to Council changing from wood to concrete was made you said you did not know that a change of location would be made? A. No.

Q. That became apparent only after the site was examined and the plans and specifications about to be made? A. Yes.

Q. Later on, some time in the spring of 1909? A. Yes, after the study of the Engineer.

Q. After that study when it was decided to make the change which as you say involved certain greater difficulties you do not know that it was ever brought to the attention of Council? A. I do not know, I have no means of knowing.

Q. From your recollection can you recall that the fact which you have just testified to, namely, that the change of location would in fact increase the work and the difficulties, was represented to the Minister? A. I cannot recall that specifically. It must have been talked about, but whether to the Minister or not I cannot say.

Q. It might have been talked about but do you remember, if the point I have just raised was, as a matter of fact, talked about by you or the Chief Engineer? A. I do not remember. We have talked about thousands of things and I do not remember; it must have been because these things are done generally.

Q. You don't remember but it may have been? A. Yes.

Q. Do you remember Mr. Coutlee ever drawing your attention or you drawing his attention and discussing that feature of the case? A. The feature of the changed location?

Q. No, you would have to discuss that there was a change in location, but the fact that the change in location would increase the difficulties in the way you have

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pointed out; do you remember discussing that? A. I remember there was some discussion.

Q. Between you and Mr. Coutlee? A. Yes.

Q. And between you and the Chief Engineer? A. I do not remember with the Chief Engineer.

Q. Do you remember ever pointing it out to the Deputy Minister? A. Your question is that the change in location would increase the danger and the difficulty.

Q. The danger and the difficulty and the possibility of increased expense; I want to know, in the first place, whether that was present in your mind, and with whom you discussed it? A. Well, I cannot say that I discussed that with the deputy because these questions were brought to a point in connection with the memos. which were made and it was only then conclusions were arrived at.

Q. But Mr. St. Laurent, this was a very important question was it not; the change of location would be a very important question, of course? A. It was very important. It would not have been very important if the conditions had been as they were expected to be and there were no difficulties in the foundation and that sort of thing. If there were no difficulties the change of location would not appear so important, as we did not expect any unforeseen difficulties.

Q. You have, this morning, very readily testified to what seems apparent, namely, that the narrow channel would increase the swiftness of the current; if it did not increase the depth it would have to increase the swiftness of the current? A. Yes.

Q. I am only asking you whether that thought occurred to you at the time the decision was reached to change the location? A. I cannot say whether it was at that time the thought occurred to me. I am very frank about it. We have thousands of things to attend to. We give instructions, and sometimes they are not carried out. I cannot remember positively what was done in connection with this or that but the memos. made there were prepared very carefully and everything there can be justified.

Q. What do you mean by everything there; there is no memo. about the increased risk because of the rapidity of the current? A. It was all dealt with later, I suppose, in the general memo.

Q. What general memo.? A. The memo. prepared in connection with Kirby & Stewart's claim, probably.

Q. Do you mean to Council? A. Well, the memo. I made, upon which probably the recommendation to Council was based. You see the claim was referred to me and I made a memo.

Q. Does that appear in the correspondence? A. I do not know, I should think it must be there. I am sure I made a memo. The claim was referred to me and I made a memo.

Q. Do you remember the time that Mr. Coutlee wrote that letter to you on December 13? A. Yes.

Q. Kirby & Stewart on the 29th wrote to the minister a long statement of claim; on January 5 the minister made a memo. to the deputy but there is nothing here apparently of yours? A. I am sure I made a memo.

Q. Made a memo. at the end of 1910 when the contractors were applying for an increased amount for coffer damming? A. I will look it up, I think that memo. must be there, somewhere.

Q. I was referring to the time, not that you were called upon to pay for it, but at the time that it was decided to change the location, and I was asking you this, as a matter of fact and memory: whether you can recall discussing with anybody or having any one discuss with you that the change of location would increase the dangers and difficulties in coffer damming? A. Not that part that the changed location would increase the difficulties, but I remember discussing the change of location with Mr. Coutlee but not the difficulty.

Q. You remember discussing the fact of the changed location but you do not remember discussing the point that it would increase the difficulty and so on? A. Not at that time, but in connection with the memo. I was making. What I recall is that the memo. I was preparing stated the facts, and then I took care to show it to Mr. Coutlee calling his attention that it was in accordance with the facts.

Q. That is the memo. prepared at the end of 1910. Will you search and find it if you can; it is not among the papers? A. Yes.

Q. I have here an index of all that correspondence and there is no mention of that in this index? A. I am sure, from my recollection, that the recommendation to Council was based on my memo. The trouble is there are several files. For instance, the Timiskaming dam is sometimes called the Long Sault and we found some documents under the head of Long Sault. The system of indexing was changed last year.

*By Mr. Lake:*

Q. Was it changed to a better system? A. Well, that is what we think, but it will take some time to get the change in full swing.

Q. I notice there were several gaps in the correspondence and we requested the Deputy to try and complete the files.

*By the Chairman:*

Q. Finally, the whole cost of coffer damming across the Quebec Channel was undertaken by the Department? A. Yes, there was an Order in Council passed assuming the whole cost, and changing the contract to that extent.

Q. And paying the contractors for what they had done with fifteen per cent profit and so on? A. Yes.

Q. When that assumption took place a portion of the coffer damming across the Quebec Channel had been done by the contractors? A. Yes.

Q. And the Order in Council stated that they should be paid for that part? A. I presume so, I do not think it was specifically mentioned.

Q. Yes, it is mentioned? A. I cannot recall that; it was the intention anyway.

Q. In that memorandum of the Minister dated the 34th of January, the Minister thinks the contractors should have more for coffer damming and recommends the cost of the coffer damming plus fifteen per cent and alterations? A. Did he mean in a general way with the part already done and the part remaining to be done.

Q. No, that one dated the 14th of January, 1911, recommended that authority be given to pay to the contractors over and above the contract price the actual cost of coffer damming and unwatering, and complete the dam. They were to go on and do it themselves? A. Well, they went on with the work and in the spring it was swept away. They went on with the work of the coffer damming; they tried to pump it out and they succeeded just a few days before the rising of the water.

Q. Was the coffer dam there? A. Part of the coffer dam was unsecured and was carried away by the high water. But none of the concrete dam had been done.

Q. That was in the spring of 1911? A. Yes.

Q. Do you remember what time of the year that took place? A. I think it was in April; it might be the beginning of May.

Q. Mr. Coutlee reports on May 4th that the east half of the Quebec coffer dam had been swept away? A. Yes.

Q. Mr. Coutlee recommended that Joseph Filion should be engaged to put the coffer dam across the Quebec Channel by day work at the expense of the Government? A. Yes, I remember that recommendation.

Q. And he was accordingly employed for that purpose? A. He was engaged first to advise, because he was a very experienced man in coffer damming work.

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Q. I find that Mr. Coutlee wrote to the Chief Engineer on May 11, reporting that the half of the coffer dam across the Quebec Channel had been swept away and on May 19, the Chief Engineer reported to the Deputy Minister and also reported the recommendation of Mr. Coutlee in these words:

"That Mr. Joseph Filion be engaged to superintend the reconstruction of the coffer dam."

Mr. Coutlee estimated the cost of renewing the main coffer dam, the pocket dam, and the counter dam, as well as the necessary pumping at \$50,000. Now, that work was undertaken, as a fact, by Mr. Filion? A. Yes, under the direction of the Department, but not as a contract. He was paid so much per day.

Q. He was paid so much per day and so were the men under him? A. Yes.

Q. By whose authority, as a matter of fact, was Filion engaged? A. The thing was referred to the Minister and he gave his authority.

Q. You think the Minister gave his authority for it? A. I remember that the matter was referred to him.

Q. Were you instructed? A. I was with Mr. Coutlee before the Minister and the Deputy Minister in this connection and we recommended that we try to get the most experienced man possible in order to get this work through.

Q. I find nothing on the files to show that the matter was ever reported to Council to obtain authority? A. To engage Mr. Filion?

Q. To finish the work of coffer damming on the Department's behalf? A. That is mentioned, I think in the last Order in Council.

Q. The fact that it had been done is probably mentioned in the Order in Council in August, 1911, when you were assuming the whole work. I will look to see about that, but what I am asking you is this: do you remember whether any memo. was prepared for Council asking for authority to undertake the actual construction work by the Department? A. Oh, Yes, that is in the recommendation to Council in connection with the authority that was asked for in connection with the contractors.

Q. Yes, but that is a different thing; when did you undertake the work under Filion? A. When Mr. Filion was engaged for the purpose of starting the work he did so, but I do not think the day labour work started until we got authority, I am not sure.

Q. You never did get authority? A. We got authority from the Minister to engage Mr. Filion.

Q. Oh yes, from the Minister, what date of the year would that be? A. That would be shortly after his memo. He says on the 9th of August orders were had to proceed with day labour on the Department's account.

Q. In the report dated 15th September, 1911, from Mr. Coutlee to the Chief Engineer he says:

"On the 9th of August, orders were received to proceed with the Quebec Channel work by day labour on the Department's account."

On the 8th of August, 1911, I find you telegraphed to Mr. Coutlee:

"You may organize at once to start coffer dam work at Timiskaming."

A. That was on permission obtained from the Minister, and pressure had been brought for some time that if we were to do anything before the next high water we had to commence at once.

Q. Now, I find that there is no memo. of Council authorizing that action? A. The memo. to Council is dated later.

Q. On the 11th of August there is a report of the Committee of the Privy Council referring to a memo. dated 7th August from the Minister of Public Works and it sets out the terms of that memo. so that no memo. would be dated three days before you asked Filion to go to work? A. Yes, but sometimes the Minister would tell us that

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the order was passed and to go ahead, but I understand that at the Privy Council Office it had to go to the Governor, to be finally sanctioned and all that sort of thing.

Q. On the 5th of August the Minister appears to have made a memo. to go to Council; on the 8th of August you telegraphed to Filion to start the work for the Department; on the 11th of August the Committee of the Privy Council adopted the Minister's memo. dated the 5th August, and looking at that I find it stated: the report of the Privy Council passed on the Minister's memo. is the one in which the assumption of the whole work of building the dam should be undertaken? A. Yes.

Q. It is not one under which the work of coffer damming the Quebec Channel could be undertaken at all. It does not mention that. It simply assumes the whole work of building the dam? A. Yes, and relieving the contractors of their contract.

Q. What I point out is this: there does not appear to be any decree or authority on the part of the Council to undertake the coffer damming of the Quebec Channel by day labour, upon which your order went to Mr. Coutlee? A. It must be mentioned there at the end.

Q. It does not appear to; one of the clauses says the construction of coffer dams, erection of the concrete dam, and sheet piling, &c., to be proceeded with by day labour? But that is relieving the men of their whole contract? A. Yes, taking over the work entirely.

Q. When the Minister directed you to send an order to Filion on the 8th of August, assuming the building of the coffer dam, had it been decided by the Minister to take over the whole work? A. I would not have sent that telegram without being told.

Q. Do not misunderstand me; when the Minister told you to send the telegram to commence the work on the coffer dam, had the Minister decided to recommend to Council that the whole work of building the dam should be taken over? A. He must, because the recommendation to Council is dated on the 5th, and then he signed it, before it goes to Council.

Q. Quite so, then, as a matter of fact, the undertaking of the work of coffer damming by the Department was part and parcel of the scheme to complete the whole work by the Department? A. Certainly.

Q. And that was then actually entered upon and the work actually commenced three days before Council authorized it? A. Before the date of the Order in Council.

Q. Before the date of the report to the Committee of Council. What I mean to say is this: the work which you undertook of coffer damming the Quebec Channel at the expense of the Department was not a thing by itself but was part and parcel of the decision of the Department to assume the whole contract and relieve the contractors of it? A. The matter had probably been discussed by the Minister and the Council.

Q. You cannot swear to that? A. Because the Order in Council had been prepared.

Q. Do you know it was discussed by the Minister? A. I do not know it as a fact.

Q. Have you any reason to think it was? A. As a general rule—

Q. Never mind the general rule, I want you to deal with this question, had you any information of your own to lead you to believe that the Minister had discussed with the other Ministers what should be done in this case? A. My reason is, that when the Minister told the Deputy Minister and I was told everything was all right, my reason is that the matter had been settled.

Q. As far as the Department was concerned it was in fact settled? A. I had reason to believe the question had been settled between the Minister and the Council.

Q. What reason had you? A. Because it is a general rule, when we make recommendations to Council, we know these are for discussion by Council. That is the policy. The Minister is in possession of all the facts. In our recommendation to

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Council we do not put all the details in connection with these matters, but the Minister is in possession of all the facts, and as a general policy discussion takes place at Council. I know that, as a fact.

Q. You know that when the matter comes before Council a discussion takes place before Council. A. Yes.

Q. We are dealing with a question upon which action was decided on three days before it apparently came to Council? A. Our recommendation is dated the 5th.

Q. The memorandum is dated the 5th? A. Yes.

Q. That memorandum would be prepared as you have explained in your previous evidence, in your department? A. Yes.

Q. It would be dated the day it was prepared? A. Yes.

Q. It would not necessarily get before Council that day? A. Not necessarily, but very often we are pressed—

Q. I asked you would it necessarily get before the Council the same day? A. No.

Q. Council does not meet every day? A. No.

Q. In the month of August it would not be meeting every day? A. I do not know.

Q. You do not know, as a fact, what day it came before Council? A. No.

Q. Do you know as a fact, on your oath that this position was discussed between the Minister and any other Ministers before it came to Council? A. I do not know it as a fact; I am simply telling the general rule.

Q. You cannot give us the general rule because general rules are subject to exception? A. Well, some of these questions are pretty hard to answer without qualification, and I know you want to be fair and I want to be fair too.

Q. Certainly I want to be fair and I am only asking you because you are giving information about things you cannot possibly know? A. I know as a fact it takes place because the Minister often tells me he has discussed that matter with Council.

Q. I am perfectly willing to have you put in evidence everything you want to say, but what do you know about this as a fact? A. I know as a fact that these matters in connection with recommendations to Council are very often discussed in Council.

Q. Now, I presume that whenever an order comes before Council it will be discussed? A. It is there for discussion.

Q. Precisely, and we are bound to assume that when it does come up before Council it will be discussed; we do not need evidence on that point, that is only common sense. I was not talking about what took place before Council, but I was talking about what may have taken place three days before Council apparently dealt with it and I am asking you whether you personally know, of your own knowledge, whether it was as a fact discussed between the Minister and any other Minister? A. I have no means of knowing that.

Q. You have no means of knowing that? A. Except if the Minister would tell me.

Q. He did not tell you? A. I do not remember that he told me.

Q. I want you to tell me if you have any reason to suppose from any knowledge in your possession that it was discussed between the Minister of Public Works and any other Minister before your telegram went to undertake the work? A. I can only answer you that it is a matter that would be discussed; I can only answer you that.

Q. I was not asking you about theories or what you think should take place, I was asking you about what you know took place in this particular case? And I am asking you if you have any knowledge whatever that any discussion took place between the Minister of your department and any other Minister concerning this work? A. No, sir, I have no personal knowledge of that.

*By Mr. Lake:*

Q. With reference to the date of the Orders in Council I think you said the date of the Order in Council was the day upon which the Order was typewritten?  
A. Yes.

Q. Do you know that of your own knowledge? A. It may be typewritten, and if it is delayed of course the date would be changed; if it is delayed on the desk of the Minister for instance quite a few days might elapse.

Q. I am talking about the actual Orders in Council—is not the date of the Order in Council the date on which Council agrees to it or is it the date that it is signed by His Excellency the Governor General? A. It is approved by the Governor General of course but I am not sure as to the date.

Q. You don't know whether it is the date on which Council agrees to it or the date on which the Governor General signs it? A. I do not know.

*By the Chairman:*

Q. We find then on June 29, 1911, a letter from the contractors to the Minister of Public Works in which they quote a letter to them from Mr. Coutlee, dated May 12, in which they request that the department will assume the complete work and pay them for the work completed to date, and make other claims, which were carried out. So that it appears from this and from what you have just said that for a considerable time during mid-summer 1911, your department was considering the advisability of taking the whole work off the hands of Kirby & Stewart? A. It must have been talked about.

Q. Now, on that same date, Mr. Chrysler, K.C., asked for an interview with the Minister which was subsequently held, and on the 12th of July, you and the Engineer in charge made a joint recommendation to the Minister which recites some of the points in the history of the case and concludes with a recommendation that the further construction of the dam should be taken from the contractors. Were you present at the interview between Mr. Chrysler and the Minister? A. No, sir.

Q. Do you know that there was such an interview? A. I do not know.

Q. Were you not told anything about the application? A. Oh yes, I was told, I remember Mr. Chrysler's name being connected with it, but I was not present.

Q. At the interview between Mr. Chrysler and the Minister, you were not present?  
A. I was not.

Q. Did you know at the time that it was taking place? A. I do not think so.

Q. Did you hear afterwards that it had taken place? A. Nobody told me specially.

Q. Then on the 1st of July you joined with Mr. Coutlee in the recommendation; who asked you to prepare that recommendation? A. It must have been—

Q. Speaking from memory, who asked you to prepare it? A. I do not remember if it was the Minister or the Deputy Minister.

Q. But you were asked to prepare it by somebody? A. Yes, whether verbally or by papers being transmitted, I cannot say.

Q. Well now, you prepared this recommendation, winding up with these words:

"We therefore recommend that authority be given to take the necessary steps in order to arrive at a proper and final settlement with the present contractors."

Had that already been decided upon when you prepared this recommendation?  
A. Well as far as I was concerned, I discussed the matter with the Engineer and for some time we had reached the conclusion that it was the only solution.

Q. When you wrote this letter on July 12, had you discussed it with the Minister?  
A. I cannot say if I discussed this with the Minister directly.

Q. You should try to remember, because you must know whether you discussed it or not; you would not as Assistant Deputy Minister go to the extent of advising that



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the entire work should be taken off the hands of the contractors and what final settlement should be taken unless you had talked the whole matter over with the Minister and knew what he thought about it? A. Not necessarily, because I get lots of different things that are simply referred to me, with the notes "please report."

Q. We will try to confine ourselves to that one thing now. On July 12 when you wrote the report I am now referring to, had you discussed the decision with the Minister and said that you were going to make this recommendation? A. To take over the work?

Q. To take over the whole work? A. Oh, I think so.

Q. And this written document was a mere statement of the reasons which you had previously verbally given and upon which it had been decided to assume the work? A. Some of the reasons may have been stated to the Minister but not all.

Q. But the decision that the proper policy was to take it over had been arrived at? A. Yes, and it was certainly discussed with the Deputy.

Q. I find that on the 18th of July the Assistant Deputy says:

"In further reference to your letter of June 29 last, transmitted to Mr. Pugsley by Mr. Chrysler, I beg to quote hereunder the terms of the recommendation which the Minister is willing to place before Council."

And he then proceeds to state the terms of the recommendation, which he put in his memo. dated 1st August, and winds up by asking the contractors whether they would agree to that provided it were favourably considered by Council? A. Yes, I was asked to write that by the Deputy Minister.

Q. The Deputy Minister asked you to write that? A. Mr. Chrysler's letters were transmitted through the Deputy.

Q. We have these steps—you and the Minister consulting about the proper policy to pursue, then you prepare a letter recommending that policy, then the contractors are notified that the Minister has arrived at that decision? A. What I meant was that the matter had been discussed with the Minister personally, in a general way, but I do not think this was the result of any personal discussion with the Minister.

Q. Which was? A. The writing of this letter.

Q. I did not say that. I repeat my question. We have these steps: you and the Minister discussing about the proper policy to pursue, then you prepare a letter recommending that policy, then the contractors are notified that the Minister has arrived at that decision, then, acting on that decision as part of it, on the 8th of August, you notified Mr. Coutlee to let Filion begin the work of coffer damming? A. Yes.

Q. On the 11th of August, an order embodying that policy is approved by the Governor General? A. Yes, as shown by the date.

Q. The contractors did agree of course, and the first thing that is done then is that a man by the name of Griffiths makes an inventory of the plant owned by them, and the amount of that inventory has been paid, has it not? A. I think so but I have not seen it, that was dealt with by the Accountant.

Q. Then the amount of their claim outside of the plant has been the subject of inquiry by some officials? A. Yes.

Q. Who were these officials? A. Mr. Chalifour, of the Public Works Department and Mr. Douglas of the Auditor General's Department, and Mr. Donnelly, who has been on the work for practically the whole time as Assistant Engineer.

Q. They have not made a report yet? A. Not yet, sir.

Q. Now, one of the final terms was that the security cheque put up by the contractors was to be returned? A. I cannot say.

Q. In October of 1911, there appears to have been a written contract executed by your Department with the contractors carrying out the terms of that minute of August 11. There is a contract dated 5th October, 1911, based on the minute of

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August 11, signed by the Deputy Minister and the Secretary and by the contractors: do you know anything about the signing of that contract? A. No, sir.

Q. You had nothing to do with it? A. No.

Q. You don't know how it came to be signed in October or anything about it? A. That is in connection with the return of the security cheque?

Q. Yes, that settlement of the claim and all that sort of thing? A. I know nothing about it.

Q. And finally, the work in the Quebec Channel has been going on since that time under the charge of Mr. Coutlee? A. Yes.

*By Mr. Ducharme:*

Q. Do you know if the men are working there just now? A. They are working there just now.

Q. At what place was the wooden dam to be built, was it close to the island or a little above it? A. Just at the head of the island.

Q. Would it touch the island? A. It would touch the island when the water would be very low. There would be water between the island and the dam at high water or medium high water.

Q. What is the depth of the water at that place where the wooden dam was to be built, can you tell us from the plan? A. On the Ontario Channel at low water it is dry. At high water, there would be about from six feet to eight feet of water in the Ontario Channel.

Q. Then the rise of the water was from six to eight feet? A. Well, the rise of the water during flood level has been as much as twenty feet, but that does not occur every year. The rise of the water above the apex of the bed of the river, that gets dry when the water is low, would be from seven to eight feet as you say.

Q. So that the ordinary height of the water will be about six or eight feet? A. From the bottom of the bed at that place at ordinary high water. At extreme high water there would be from eleven to twelve feet.

Q. What was your object in putting the wooden dam across the head of the island? A. I cannot say what was in the mind of the Engineer who prepared the plans or why he selected the location.

Q. Personally, you had nothing to do with that? A. I had nothing to do in connection with these details of drawing, and so forth.

Q. Can you tell me the whole length of that wooden dam? A. Yes, one thousand three hundred and fifty feet in length is mentioned in the specification.

Q. You see the tenders for the contract for the wooden dam and in which there is a great discrepancy could you explain that large difference in the prices? A. That is explained by the different point of view that the contractors take. It is hard to explain sometimes. Some think they will be lucky, I presume, and that they will get through with less money, and others may cover certain risks with higher sums of money.

Q. Did it not strike you as peculiar when you saw such differences in the prices? A. Not particularly, because that is in all these contracts. We often notice there is a great discrepancy in the different prices of things.

Q. Do you know if the attention of the Minister was called to that peculiar discrepancy? A. Well, the tenders are always shown to him.

Q. You do not know that his attention was specially directed to it? A. No. I do not myself show him the tenders.

Q. The two principal items in that tender of Kirby & Stewart that made it lower than the others was the price they charged for common excavation and the price they charged for unwatering? A. Yes, the price for excavation and unwatering and for their concrete, there was only one tender that was lower, and the others were higher.

Q. How long should it have taken to build a wooden dam like that provided for there? A. Under ordinary conditions, it should not take more than a year. Of course

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all our prophecies have been upset in that Timiskaming Dam, but under ordinary circumstances, I think hardly more than a year would be necessary to build a dam of that kind.

Q. How long should it have taken to make the coffer dam? A. Do you want our own experience?

Q. Your own experience; how long do you think that coffer dam should have taken? A. Well, we started in August, when the orders were given, got the timber, and the main coffer dam was across that branch of the river about some time in December.

Q. I am not asking you how long it took to build that dam—from your knowledge of such work how much time should it take to make such a coffer dam? A. It all depends on the difficulties encountered. I cannot say. In hydraulic work we can never estimate exactly. We make mistakes. We may err in judgment very largely, I admit that.

Q. Do you know when the contractors were advised that the contract for the wooden dam was awarded to them? The recommendation was made in November but it seems to me the contractors were going ahead at that time? A. Immediately after the passage of the order in council in connection with the wooden dam.

*By the Chairman:*

Q. Long before that, that was not passed until January? A. I remember after tenders were received and the lumbermen were pressing for the execution of the work and Messrs. Kirby & Stewart were told to go ahead with their work.

Q. They say they were told in November? A. I cannot say as to that. I know that the Department told the contractors to go ahead with their work before the contract was passed, I think.

Q. The contract was not authorized until January and was not signed until July.

*By Mr. Ducharme:*

Q. Kirby & Stewart in their letter of December 19 say that they were verbally notified of the acceptance of their tender shortly after the first of November, 1908; do they state the truth when they say that? A. They were notified but I cannot give the exact date. I presume they were told verbally by the Deputy Minister to go ahead, but not by me, so that I cannot say the date.

Q. Why were they advised beforehand in such a way? A. On account of pressure brought by interested parties to have that work commenced as soon as possible.

Q. Who would take the responsibility of advising them to go ahead in that way? A. There would be the Minister and the Deputy Minister.

*By the Chairman:*

Q. If that were the case you give a reason why the matter should not be brought before Council immediately and dealt with instead of waiting until January? A. I cannot explain anything about that.

Q. You cannot give any explanation of that? A. No. I think I explained to you that they had to get some material in during the winter and the winter months on the winter roads.

*By Mr. Ducharme:*

Q. The order in council granting the contract to Kirby & Stewart for the wooden dam was recommended on January 18, 1909, by that memo. was there then any question of changing that dam for a concrete one? A. At that moment?

Q. At that time, on January 18? The tenders were called for in October and I think the recommendation to Council was made on November 20. The order in council was granted on January 18, 1909. Now, at that time during the two or three months, was there ever any discussion about the changing? A. Not by me.

*By the Chairman:*

Q. On January 16 you had written the recommendation that it should be made of concrete? A. Yes, but he was speaking of November.

Q. No, he was speaking of January? A. I do not understand that.

*By Mr. Ducharme:*

Q. From November to January 18, there was a question of changing the wooden dam to a concrete dam? A. The recommendation to Council must have been sent before that. When I made my recommendation I did not consider exactly what had been done in connection with the Order in Council. I got convinced of the thing and I simply made the recommendation.

Q. When the recommendation was made on November 20, had you then in your mind the change of the dam from wood to concrete? A. I do not think so, because my recommendation was made on January 16, and if I remember rightly it was only for three or four weeks that I had this on my mind, and it worked gradually on me and finally I decided to make the recommendation.

Q. You made your recommendation for the change from wood to concrete on the 16th? A. Yes.

Q. But was that recommendation made after you had some discussion with some of the officers of the department about the change from wood to concrete, or did you make your recommendation before speaking to anybody about this change? A. Well, no. I might have mentioned a few words about the advisability of building of concrete, but I took the whole responsibility of that change.

Q. That is all right, I admit you took the whole responsibility of the change, do you take the whole responsibility of the whole mismanagement of this dam? A. I do not agree there has been mismanagement because difficulties have been encountered.

Q. We will come to that by and by; do you think that possibly you have discussed this with others? A. Not discussed fully, but I mentioned that I would like the storage dams built of concrete as much as possible.

Q. In the ordinary course of business such a change would be discussed with the head officers? A. Yes, before I made up my mind I must of discussed it with the Deputy, but I am not sure that I discussed it with the Chief Engineer. If he was there I must have mentioned the matter to him.

Q. Now, on December 16, you made the recommendation to whom? A. I made the recommendation; my recommendation must have been addressed to the Deputy Minister. I would naturally address it to him.

*By the Chairman:*

Q. This is described as "Re Storage Dams"? A. That would be sent naturally to the Deputy Minister, unless the Minister would ask something specially and then I would answer him directly.

Q. Did you have direct access to the Minister about this whole Timiskaming matter? A. If he called for me; otherwise I would deal with the deputy who deals with the Minister.

*By Mr. Ducharme:*

Q. Did he ever call for you? A. Yes, he called me in when Kirby and Stewart presented their claim.

Q. Did he call you in at any time beside that? A. No, I do not think so.

*By the Chairman:*

Q. The point is that you do not know whether this memo. of January 16 went before the Minister or not? A. It would be taken by the Deputy Minister.

Q. As a fact, you don't know whether it went before the Minister or not? A. No.

Q. I suppose all the recommendations to the Council are made by the Deputy Minister? A. They are prepared by the Secretary and laid before the Deputy Minister.

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Q. And then they are taken to Council? A. They are taken to the Minister by the Deputy Minister, and if the Minister agrees he signs them before they are sent to Council. The Secretary sends them to Council they don't pass through me.

Q. You see the signature "W.P." What would be the meaning of these initials on the document, would it mean approbation? A. His initials mean approbation.

Q. From the knowledge of the facts that you have, do you think that this Order in Council of January 18, 1909, is not misleading?

The CHAIRMAN.—That is a matter for our consideration.

Mr. ST. LAURENT.—Since the question has been put I must say most positively that it never has been the intention of misleading Council in any of the Orders of Council, and I can answer for the other officers as to that.

The CHAIRMAN.—Pardon me a moment. You have made that statement, but you have just told the commissioners here that you had nothing to do with the framing of the memos. to the Minister.

Mr. ST. LAURENT.—I am speaking as a higher officer in the department.

The CHAIRMAN.—You must speak as to your own knowledge; you can only speak as to what you know.

Mr. ST. LAURENT.—And I know those that are preparing the Orders in Council and I most positively say that to my knowledge there has never been anything to mislead the Council. I must say that.

Mr. CHAIRMAN.—You were not asked whether anybody had any intention of deceiving Council. Mr. Ducharme asked whether the language was not such as would mislead; you were not asked about the intention of other people at all, and, again, you have just sworn that you have nothing to do with preparing the memos. that went up to Council? A. Well, I am consulted sometimes.

Q. When you say that you are only speaking from your general knowledge of the character of the people? A. Yes.

Q. And you are giving them a certificate of character? A. When it comes down to an interpretation of the language.

Q. Quite so, and upon that you are no better able to give an opinion than the Commissioners? A. I am, because I know the working of the department, Mr. Commissioner.

Q. I am not talking about the workings of the department, and the construction of the language that is actually used is a matter of judgment by anybody who reads it? A. It is a matter of interpretation and judgment certainly.

Q. The interpretation of the language is a matter of judgment for those who read it? A. Yes.

Q. And it may convey one thing to one man and another thing to another man? A. Yes, but I know the feeling that exists and the working of these things.

Q. Excuse me, you have no right to answer that way, because you would be reflecting upon the Commissioners? A. No. I am not.

Q. Pardon me, Mr. St. Laurent, for saying that you were not asked by Mr. Ducharme what was the intention of anybody in the department, and you had no right to answer as you did? A. I was asked if the Order in Council was misleading, and I say there was never any intention of misleading. Mr. Ducharme will be fair to me; I think it is my right to answer that.

Q. You will see the difference of course, between whether an Order in Council is misleading and whether it is intentionally misleading? A. Oh, yes, I understand that.

Q. You were not asked about the intention you were asked about the fact, and you should not really need to be asked about the fact because that is a deduction which must be drawn from the language itself, but so far as the intention is concerned there was no question put to you and the reply is an imputation; you don't

know the intention; you could not positively swear to other people's intention? A. I apologize if I made a mistake, I have not got a legal training.

Q. Now, how could you on oath swear as to the intention of any one; that is a mental process about which you can know nothing? A. Is it not my duty to say so, that I know everybody in the department tries to put everything in the right light.

Q. You don't know anything at all about what other people try to do because that would be a mental process about which you, as a witness do not know. All that you could possibly swear to would be what you yourself tried to do. We have not asked you any other question.

*By Mr. Ducharme:*

Q. What I meant to say was this, Mr. St. Laurent; that the tenders were intended for a unit price and it was by mistake that a bulk price was asked? A. Yes.

Q. That was about the month of November, that took place when tenders were sent out? A. Yes.

Q. When you had the Order in Council of the 18th January giving the contract for a bulk price, when you say it was a clerical error and you say that in the month of February, it was a clerical error, I say surely when you were giving out a contract for seventy-six thousand dollars at so much a foot and so much a yard, surely that was misleading? A. I do not think so, sir.

Q. Well, your memo. is misleading, according to your own words; you said yourself that it was not intended to be bulk price but that it was intended to be unit price? A. Whether it is a bulk price or a unit price we had to calculate what would be the ultimate amount to show to Council what we think will be the ultimate amount to be paid. That has to be done whether it is made as a unit price or a bulk sum. I made some inquiry about that memo. and that memo. was right.

Q. On January 20 the Auditor General objected to the giving out of this contract as by Order in Council of January 15, because he claimed it was not the same contract and that you should call for new tenders; now, you answered to the Auditor General on February 3? A. The letter was referred to me.

Q. On February 4, the next day, the Deputy Minister wrote to the same effect to the Minister. On February 7 you wrote to the Chief Engineer and asked him to prepare plans for a concrete dam. On February 20, 1909, you decided to make the change on the same day a memo. is addressed to the Minister to that effect, and of March 13, the memo. of the Council grants the change and gives the work to Kirby & Stewart? A. Yes.

Q. Apparently for the sum of \$108,050? A. Yes.

Q. Then, this contract of March 13 was given out with a perfect knowledge of all the objections that were raised by the Auditor General? A. Oh yes, it was. I explained that as a general principle I was in favour of calling for new tenders every time we had a change, but I further explained that there was a question of agreement.

The CHAIRMAN.—That is explained in your memorandum?

Mr. ST. LAURENT.—Yes, and gentlemen, I hope you don't believe I stated anything in my memorandum that was not a fact.

The CHAIRMAN.—You gave your opinion, that was all.

Mr. ST. LAURENT.—Yes.

*By Mr. Ducharme:*

Q. In May, 1909, Kirby & Stewart visited the place where the dam was to be built? A. I do not know anything except having seen that in a report.

Q. Personally, you know nothing about it? A. No, the engineer would know.

Q. Personally do you know they began their work in June? A. I cannot say, I did not follow these details.

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Q. The concrete dam that you decided to put in place of the wooden dam was to be built the same height as the other dam? A. I never looked at those details, I had no occasion to. The plans are transmitted by the Chief Engineer, and as to the construction details they do not come before me.

Q. I am referring to your testimony; in your testimony you answer to this question of the Chairman that the thing developed itself as it went along and finally it was decided that the dam should be higher on account of the Georgian Bay Canal. When you came to the decision that the dam should be higher was it when you made the change or afterwards, because your answer is not quite clear?

*By the Chairman:*

Q. When you decided to change to concrete, did you at that time decide to make it higher or was the decision to make it higher a subsequent matter? A. I do not think I considered these details. It came up afterwards that it would be well to have the deeper water for storage.

Q. And you explained that your original idea for changing the dam was for storage purposes in the Ottawa? A. Yes.

Q. Then you changed from wood to concrete, and then it occurred to you or somebody that by raising the height of the dam the water could be used in the Georgian Bay project? A. Yes.

Q. Now, would that water be any advantage to the Georgian Bay project if the dam had not been raised the extra number of feet? A. To some extent.

Q. But to no considerable extent without raising it? A. Mr. Brophy proposed to raise it five feet, if I remember well, and Mr. Coutlee, in discussion, proposed to raise it twenty feet. Mr. Coutlee will be able to give the exact figures. That would be four times as much water that would be conserved under Mr. Coutlee's project to build the sluiceways with stop-logs for higher reserve.

Q. The wooden dam as it was tendered for, would it have had any effect on the Georgian Bay project? A. Yes, to the extent of the five foot storage, which gave several hundred million of cubic feet for reserve.

Q. Reserve for the Ottawa, but would that reserve be available to the Georgian Bay Canal too? A. Yes, in the same way as the larger quantity but to a less extent.

Q. You mean that if you are using this water for storage purposes on the Ottawa river you must, at the same time, use it for the Georgian Bay project? A. Yes.

Q. Would not that take away from the Ottawa river? A. Yes, but the water-power interests and the navigation interests dovetailed. During the period of low water the water-powers are affected as they have not enough water. And it is exactly during that same period that the water is lower for navigation, and so the water supplied to the water-power interests would raise the level of the water in the river to a certain extent, according to the quantity that you would let go from these reserve lakes. If you let go 20,000 or 40,000 cubic feet per second then you raise the water level for navigation so many inches, and according to the water that is let out during the low period then you increase the power to that same extent too. If at low water they have got a flow of only 12,000 feet and if by the reserve we can augment that flow to 18,000 or 20,000 or 25,000 according to the depth of storage we believe that the users of water-power will benefit that much and that the navigation is benefited in the same relation because we have a few inches more.

*By Mr. Ducharme:*

Q. Were you the person who ordered that new plans should be prepared for the dam? A. The instructions came through the Chief Engineer, to Mr. Coutlee.

Q. Who gave instructions to the Chief Engineer to prepare the new plans? A. Well I think I did, at least I showed him the memorandum.

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Q. Would you remember if you gave those instructions? A. I would remember only by referring to it.

THE CHAIRMAN.—On February 10, Mr. St. Laurent asked the Chief Engineer to prepare plans and specifications.

*By Mr. Ducharme:*

Q. At that time, was the location changed? A. Oh no. There was no change in the location then. It was only when Mr. Coutlee arrived with his plan that showed the new location and the new section. After Mr. Coutlee investigated and prepared these new plans for the concrete dam then he changed the location itself; he was not ordered to change it; that change took place in due course on his work.

Q. About what time would that be? A. I cannot say.

Q. I suppose Mr. Coutlee will tell us when he made the change? A. Oh yes, he knows better than I do about all these details.

Q. Were you ever there yourself? A. I was at Temiskaming only once when the question of the difficulties in connection with the coffer damming, and I wanted to see for myself the condition of the bed of the river, and the difficulties they had to contend with and I went to see them.

Q. Did you see the island there? A. Oh yes, I went on the island.

Q. Can you tell me how much above the water the island is? A. I see from the plan that the elevation on the island is 5.94, and the low water would be 5.17; that would be 21 feet.

Q. What kind of work was contemplated on the island? A. Do you mean according to the new plan?

Q. The work that is going on? Is there work being done on the island? A. Yes, there is work being done but I cannot say if it is going on now. I cannot say if it is continuing now, I think the embankment has been completed.

Q. In your testimony you say that the reason why you did not want to ask for new tenders in February was because you were in a hurry? A. That was one of the reasons.

Q. You say that on the 10th of February. Are you aware that on the 22nd of December previous Mr. Kirby had already declared as is contained in these documents, that he could not do the work during the winter, and in fact did not you yourself write to that effect?

*The Chairman:*

Q. I drew the attention of the witness to the correspondence and I quoted it.

*Mr. St. Laurent:*

Q. Is not that in connection with concrete in the winter?

Q. In the letter from Mr. St. Laurent to J. R. Booth, of Ottawa, December 22, you say that it is an utter impossibility to build the dam this winter, that the contractors would not take the risk, that there is no difference deferring the work until the spring, and that it should be built of concrete. Now, delaying the new plan would not change conditions. That is what you wrote on the 22nd of December, 1908? A. That was all right, it would not change the condition. I knew they could not build the dam. That refers to the dam itself, but there are lots of preparatory work they could do during the winter. They could do excavation and the cutting of their timber. They have been getting the timber during the winter.

Q. As a matter of fact, is it not true that Kirby & Stewart only began their work in June, 1909? A. I cannot say.

The CHAIRMAN.—That is true.

*By Mr. Lake:*

Q. Do I understand that on the 22nd of December you were thinking of changing the dam? A. I remember that now. I wrote a letter to Mr. Coutlee asking his



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opinion about it, but I had not made my recommendation, and I had not made up my mind.

Q. I was asking you if you had not talked before the Order in Council passed of making the change and you admit you wrote the letter on the 22nd of December?

A. As I have been saying before that thing was on my mind for quite a time before I decided to make a final recommendation. That thing had been working on my mind all the time and of course it is quite a step to take. There is a difference between having something on your mind and deciding to take the final step.

Q. You say they made a mistake about the formation of the bottom of the river?

A. Yes.

Q. When did they find they made that mistake? A. They found the mistake about not having solid rock there when they made that investigation for the new plans.

Q. About when would that be? A. I cannot remember the date.

Q. Would it be winter or summer? A. Mr. Coutlee will be able to tell that.

Q. The new plans were ready on the 12th of July, so that it must have been before the new plans were made? A. Yes.

Q. They took some time to make the new plans? A. Yes. The borings are shown on the new plan, but I cannot say whether they were made in the winter or in the spring, or when. Mr. Coutlee will know that.

Q. Do you know about the value of excavation? A. Well, I know a little, I have not been in touch with excavation work for the last four years.

Q. You would know about the value of excavation? A. Yes.

Q. Don't you think thirty cents a yard a ridiculous price for common material there? A. We often have tenders for that price for common material.

Q. Was it you who made the new specifications? A. No.

Q. In the Department, in a general way, was not the question of this Timiskaming Dam being discussed among the employees? A. That is a hard question to answer, my impression is that it was being discussed.

Q. Would there not be discussion in the Department about the manner in which the contract was executed and the delays that were occurring? A. I think the question of delays came up; I must have brought up the question of delays myself.

Q. And the question of cost? A. There would be, of course, the question of the ultimate cost but, of course, I cannot tell exactly what the others said about it.

The CHAIRMAN.—I do not think that is evidence. I am afraid I will have to rule out that question. It is of no value to anybody what people were talking about.

The WITNESS.—Really, I cannot say what they were talking about.

*By Mr. Ducharme:*

Q. When the new plans were made, did you as a fact know that the dam would cost more than had been at first estimated? A. When the change from wood to concrete was made, new quantities were taken and the cost was stated in the Order in Council on these quantities at \$108,000; after that these new plans came and I think the cost was placed at \$176,000.

Q. When you used the expression that at the time the change from wood to concrete took place and new quantities were taken you mean that they were not taken on the ground but that the quantities of concrete were taken from the old plans? A. Yes.

Q. After you got the plans and specifications and saw where you were going to put the dam, the price of Kirby & Stewart went up to \$176,000? A. I remember perfectly when the question of settlement came up I told the Deputy that we had mentioned in the former Order in Council that the concrete dam would cost so much, and in this new Order in Council that we could mention what we thought it would cost now, in order that the Council would know that the first information was at sea, because it went beyond what we expected or what the Engineer expected anyway.

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I remember perfectly making this point to the Deputy Minister that it was important to show that in the cost. We had mentioned that the concrete dam would cost \$108,000, and when the next Order in Council came, I said: we must repeat that again and show what it costs with the new quantities to show them the comparison, and the Deputy said, that is right.

Q. That was to call the attention of the Minister to the increase in cost from \$108,000 to \$176,000? A. I said it was important to put that in.

Q. At the same time you got new specifications prepared? A. After the Order in Council for the change from wood to concrete, we made a recommendation that it would cost about \$108,000 based on the quantities given, and after the new plans were made the contractors went on anyway, and when the occasion of the new Order in Council came to pay the contractors for unwatering, I called the attention of the Deputy that it was important to show that in our previous report we had mentioned that the concrete dam would cost \$108,000, while now it had gone much beyond that, and it was important to show the two in comparison so as to advise them that our first estimate was too low.

*By the Chairman:*

Q. Your memo. authorizing the change to concrete, was dated 20th February, 1909. There was no other memo. to Council about the matter until the 10th of November, 1910, when you were talking about housing and heating, so there was no memorandum to Council with reference to the location and the second increase to \$176,000 at the time that change in location took place and the work was commenced. Answer yes or no. A. I do not think there was at that time.

Q. As a matter of fact we find that it was not until the memo. dated 4th January, 1911, from the Minister to the Committee of Council that any mention was made of the increased price consequent upon the change of plans. As to location, you go on there to say in the memo. of the 4th January:

"The tenders received, based on the amended quantities and unit prices are now revised as follows, Kirby & Stewart, approximately \$176,000.

There was no mention before that? A. Probably because the Engineers themselves did not know it was to cost so much before that.

Q. You say now that you told the Deputy Minister that Council ought to be advised? A. That was when the Order in Council was under way.

Q. That is on the 4th of January, 1911, or nearly two years after the location and when the greater part of the work had been already carried out? A. Not the greater part of the work.

Q. Well, all the Ontario dam had been built and a great deal of coffer damming on the other side? A. Yes, and difficulties arose.

Q. The location had been absolutely settled then? A. Yes.

Q. So far as a written memo. to Council you convey no information about that increased cost to Council; it was only brought to the attention of Council long after the expenditure had been undertaken? A. Oh, yes.

Mr. LAKE.—And, in the meantime, no memo. had been presented to Council?

*By the Chairman:*

Q. In the meantime memos. had been presented to Council which made no mention of the increased cost? A. I do not know that the engineers knew at the time it was going to cost so much.

Q. Oh, yes they did. In November, 1910, they knew from the quantities of the new location that it would cost more than \$108,000, which had been calculated in the winter of 1909, because it was on the new quantities of the new location that the estimate ran up to \$176,000? A. Yes, the question as to whether the Privy Council should have been advised.

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Q. I did not ask you whether they should have been advised, I am asking you whether they had been advised.

*By Mr. Ducharme:*

Q. I mean to say when you got the plans prepared you knew the work would cost more than \$108,000? A. I do not know when the plans were prepared.

Q. When the plans were prepared and put before you, you knew that it was going to cost more than \$108,000? A. That is a thing I cannot answer positively, because the estimate, if one was made by the Engineer, was sent by the Engineer, to the Chief Engineer.

Q. How could you tell the Minister, that instead of \$108,000 it should be \$176,000, how did you find that out? A. That came with the question of allowing something to the contractors for coffer damming. You see the Engineer was made to say what quantities were involved in order that we might report to Council that it was going to cost much more than anticipated.

The CHAIRMAN.—I think you are mistaken there.

*By Mr. Ducharme:*

Q. The location of the dam was changed; it was decided to put one dam in the Ontario Channel at the lower end of the Island and on the Quebec side at the higher end of the Island. This change of location made a change in the dam and so forth; did not you know then that it was going to cost more? A. I do not know that I considered that question then.

Q. As a matter of fact, did you not know it would cost more without taking any measures to consider it? A. I probably thought at the time that it was going to cost more but that it was based on unit prices.

Q. Why were new specifications made? A. Because it was different kind of work.

Q. And being a different kind of work it would cost a different kind of price? A. No, the prices were to remain the same.

Q. Not if the foundations were going to cost more on account of the height of the water? A. At the time these plans were presented, I did not know myself at what depth they would have to go.

Q. Did you know the change of location was made when the plans were prepared? A. After, when the plans came I knew; perhaps not during the study, because I was not looking at the details.

Q. You knew nothing about the plans until you saw them on July 12? A. No, I had not seen them before.

Q. You never knew that the department was making plans for a change of location? A. I knew because instructions had been given, but I mean to say that I did not see the plans showing the change of location and new conditions until they were presented.

Q. If you knew of the change of the location of the dam surely you would be able to tell us why the change was made? A. I cannot tell the reasons of the Engineer.

Q. You do not know why they changed the location of the dam at all? A. I do not know why the Engineer changed it.

*By Mr. Lake:*

Q. It was Mr. Coutlee who made the change and he will be examined? A. Yes.

Mr. DUCHARME.—I think the Deputy Minister should know the reason?

Mr. LAKE.—One would think it ought to be reported to him.

The WITNESS.—Mr. Coutlee may have told me of some idea of changing the location during the progress of the work.

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The CHAIRMAN.—I notice that on December 3, 1910, you wrote a letter to Mr. McGiverin, M.P., referring apparently to a meeting concerning Kirby & Stewart's contract; do you remember Mr. McGiverin speaking to you about it? A. Yes, Mr. McGiverin came into the office with Mr. Kirby.

Q. What was the object of his visit? A. It was to discuss that matter of claim of the contractors.

Q. What matter of claim? A. He accompanied the contractors to my office when they came, when the Minister had told me to investigate.

Q. The Minister had told you to investigate what? A. Their claim. In my evidence I said that one day I was called into the Minister's office and Mr. Kirby and Mr. Stewart were presenting a claim in connection with their contract and the Minister referred the matter to me, and it was arranged that when I would be ready to discuss the matter they would be called to my office and they came with Mr. McGiverin.

Q. Mr. McGiverin's calling upon you to support the claim of Kirby & Stewart would be part of the proceedings which you have given in your previous evidence, and which wound up with the letter from Mr. Coutlee, dated the 13th December, and after that ended in a memo. from the Minister to Council? A. Yes, that would be part of the proceedings.

*By Mr. Ducharme:*

Q. It was all during that month of December, 1910, you were discussing the whole matter? A. Yes, Mr. Coutlee was present at the meeting. We had discussed the matter personally and Mr. Coutlee was present at the meeting.

Q. Messrs. Kirby & Stewart produced a copy of a letter of yours dated March 19th:

"I have to inform you that the concrete dam has been awarded to your firm at the rate provided in the schedule list of prices."

Do you remember writing that letter? A. Yes.

Q. In this letter you drop away altogether from the lump sum and you say the unit prices? A. Yes.

Q. And the dam was to be built of concrete instead of timber? A. Yes.

Q. That was on the 19th of March, 1909? A. Yes.

Q. You wrote this:

"According to new plans which are now being prepared. Of course it is understood that your price of concrete per yard as stated in your tender and the sum mentioned for unwatering, is to cover all coffer damming which you require to build the dam."

—you wrote that? A. Yes.

Q. In your own letter you speak of new specifications, and on the 19th of March you wrote to Messrs. Kirby & Stewart about their getting the contract that changed all the dam from wood to concrete with the new plans and the new specifications? A. I think the new specifications are attached.

Q. I asked you if there were new specifications prepared and you said you did not know? A. I never said that. We were bound to have new specifications presented at the same time. In your letter you say that as soon as the plans and specifications referring to the concrete dam will be ready, the contract will be presented for signature. When the contract was presented for signature in July, 1909, the new specifications had been prepared.

The CHAIRMAN.—It is attached to the contract.

The WITNESS.—I cannot say anything about the signature of the contract. I had nothing to do with it. The new specifications were attached to the contract.

By Mr. DUCHARME.—I asked you whether before the contract was signed, there were any new plans and specifications, and you would not admit that? A. I beg your pardon, I must have misunderstood you.

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Q. I want to know if when you changed the plans of your dam and raised it much higher and knew there would have to be new plans and specifications, you had then new plans and specifications? A. When the contract was signed the plans and the specifications were there.

Q. Then you thought it necessary to make new specifications? A. From the beginning, of course.

Q. Then if it was necessary to make plans and new specifications, was it not, as a matter of fact, just that there should be new tenders asked for? A. Well, the new specifications were necessary in connection with the different character of the work. As to my opinion as to whether it was necessary to call for new tenders, I say that as a general principle I am always in favour of that, but I have stated the reasons why I thought that in this case we were in honour bound to give consideration to Kirby & Stewart, because they had been told to go ahead in the first place, and in the second place they were the lowest tenderers.

The CHAIRMAN.—We have gone over that two or three times. As to whether new tenders should not be called for is a matter of argument and opinion, and you cannot give evidence as to that.

*By Mr. Ducharme:*

Q. Have you any knowledge of any pour parlors with the Government about purchasing the land from the Ontario and Quebec Governments? A. Yes, I think we applied for some land, and I think somebody in the Engineer's Office went to Ontario and went to Quebec to see about the land there.

Q. What was that land required for? A. Because the bed of the river on the Ontario side belongs to the Provincial Government of Ontario, and on the Quebec side it belongs to the Provincial Government of Quebec.

Q. Did you know that before started to do the work and gave out the contract? A. I knew that the bed of the river belonged to the Provincial Governments.

Q. Would the Deputy Minister know it also? A. I think so.

Q. How is it that you came to give a contract to build the dam upon property that was not yours before you ascertained how, and on what conditions, you could get the land? A. We had several conferences in connection with this with the Ontario and Quebec authorities, as to the land we required for our dam, and finally it was agreed in connection with the Timiskaming that we should go ahead.

The CHAIRMAN.—Mr. Ducharme is saying that all that took place after you had commenced to build the dam, and Mr. Ducharme is asking you if you can give any reason why the negotiations to take the land did not commence before you undertook the work? A. I do not know about that.

*By Mr. Ducharme:*

Q. It was known at the time that you would require that land? A. That we would require the site, yes.

Q. Now, Mr. St. Laurent, your Engineer's estimate of the first dam was \$80,000? A. That was the Chief Engineer's estimate.

Q. And you say that the rapidity of the current would naturally increase the cost of the coffer damming? A. Yes, sir.

Q. Do you really see it would increase it very much? A. Yes, on account of the greater difficulties. The coffer dams are built by sections, they are brought in and floated in place and sunk there. Of course the bringing in of cribs in a very swift current is difficult and it is hard to get them at the right place, and the filling in is much more difficult because they have to get in scows and the swifter the current the greater the difficulty is, and the greater the cost.

Q. Do you think there would be much difference? A. All this is relevant to the quantity of work to be done, and the extent of the difficulties in connection with the work.

*By Mr. Lake:*

Q. Taking the old and the new locations, I think you said that you considered the new location would necessarily be a more expensive business than to build the dam on the old location? A. Yes.

Q. Would that necessarily be the case, taking all the circumstances into account; you had two channels there and you might use one while you were building the other. From the very beginning was it a more expensive business to build on the new location than on the old? A. I did not enter the details of that, but my impression is that it would be more difficult on account of the condition of the current at that place; that is merely my opinion.

Q. You wrote to Kirby & Stewart on the 8th of September, 1909, saying that they were not making good progress on their contract, and ordering them to employ a large force and complete the work as soon as possible; how did you know that? A. From the report of the Engineer.

Q. Were you then satisfied with the contractors and their work? A. You mean to the progress of their work.

Q. Yes. A. As to the progress I was not satisfied, certainly. I said that before.

Q. Do you think they should have made quicker progress with their work? A. I think so.

Q. Had you occasion to make the same remark later on? A. Yes. I testified that all the time I thought that the progress was not satisfactory. Whether that was due to difficulties encountered or not I do not say. Our experience showed that a good deal of that delay was probably due to difficulties.

Q. The dredge *Queen* was sent on the work? Yes.

Q. Why was it sent there? A. It was sent there to enlarge the channel on the Ontario side so as to pass more water there to bring the channel to the level of the sluiceways.

Q. On account of the dam being moved further down? A. Not necessarily—it was sent there because there was lots of excavation to do that was not included in the contract and we decided to do it with our own dredge *Queen*.

Q. The *Queen* was there to do the Government work and not the contractor's work? A. Not the contractors?

Q. Not the contractor's work? A. Not the contractor's work.

Q. You received a letter from Mr. Coutlee dated the 13th December, 1910, wherein he says: The contractors began work during 1909, but only signed their contract on July 22, 1909; the contractors had been on the work since the end of May; plans not submitted until June, very considerable change in the plans adopted, he argues there very strongly that bulk price, \$4,000 for unwatering in original plan not contemplated for work really done, recommends Department should assume risk and build coffer dam in Quebec Channel, he gives the estimate cost of the coffer dam at \$20,500. When you read that letter from Mr. Coutlee did not it strike you that that letter was strongly in favour of the contractors ignoring completely the arrangement arrived at with the Government; did not that strike you? A. That it was strongly in favour of the contractors?

Q. Yes. A. No, there were difficulties they were encountering in connection with the coffer damming.

The CHAIRMAN.—He has already explained that letter was written after consulting with the Minister for the purpose of making out the claim they had decided should be allowed.

The WITNESS.—We discussed all these on instructions from the Minister.

*By Mr. Ducharme:*

Q. You got a report from Mr. Perrault showing the cost of the dam at \$108,582? A. That is based on the quantities for concrete. He was asked what would

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be the quantities for a concrete dam in accordance with the plan he had prepared, and supposes the cribwork was replaced by . . . . . concrete, and he gives an estimate on that and that alters the estimate from \$80,000 to \$108,000.

Q. Where did he take these quantities? A. He took them in Ottawa, I suppose. I presume he took them in his office here in Ottawa from the original plan which he had. I cannot say myself what he did to give these quantities.

The CHAIRMAN.—Please look for the memo. and for the data which you may have in the Department showing how you made up the \$176,000, that you refer to later on in making the memo. to Council. You said on the quantities it would be \$176,000; you must have some memo. about that? A. I think some quantities were given by Mr. Coutlee.

Q. Then you would have a memo. of that calculation? A. There must be.

*By Mr. Ducharme:*

Q. The contractor knew in June where the dam was going to be put, when he started to work? A. He knew, of course at the time he signed the contract because he had visited the site. He was there in May I believe and commenced his work in June.

Q. You should be able to find out at that time how much the dam was going to cost?

The CHAIRMAN.—He will get that information about the \$176,000 and bring it down to us.

*By Mr. Ducharme:*

Q. There is no mention of the \$176,000 in the papers we have until January, 1911, when this memo. was passed? Did Kirby & Stewart do any excavation outside of the excavation provided by the contract? A. That is a detail I cannot give.

The CHAIRMAN: Mr. Coutlee will give us that information.

*By Mr. Ducharme:*

Q. We have here a memo. from Mr. Steckel on the 19th of March, who is he? A. He is an Engineer that has been employed in the Department for a great many years and he was employed in the preparation of estimates up to last year, when he was superannuated, and replaced by Mr. O'Brien, who now does Mr. Steckel's work.

Q. Who is Mr. Chasse who endorsed the new plan and specification? A. He is the Law Clerk of the Department of Public Works, according to law I think he has to sign all contracts with the Secretary and the Deputy.

Q. You called for tenders for excavation? A. Yes.

Q. Did you do that work yourself? A. We started doing it, but there is not one-half of the material taken out yet.

*By Mr. Lake:*

Q. Do you have a form of contract for a bulk sum and also for unit prices? A. No, it is the same form, the contract applies to both.

Q. I notice that this document before me is marked: "Contract for bulk sum." A. Yes.

Q. And you say that the same form of contract is used for either unit prices or for bulk sums? A. Yes.

Q. Then what is the use of putting that endorsement on the contract? A. I presume it has been printed a long time ago; that is a detail about which the Law Clerk can give you information.

Q. Take this contract which was signed on the 22nd of July after the new location had been decided upon and new plans and specifications had been decided on, and the sum agreed upon was \$108,050, why were these words added to the clause: "A

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concrete dam bulkhead across the Ottawa River at the head of the Long Sault and near Timiskaming Station on the C.P.R., in the township of Gendron in the province of Quebec, at unit prices mentioned in the annexed schedule of an approximate total sum of \$108,050 of the lawful money of Canada." A. That was added by the Law Clerk as based on the Order in Council which he had.

Q. But at this time you must have known that it was going to cost a great deal more at unit prices? A. At this time I could not say it would cost more. This amount was based on the Order in Council which had been prepared on the quantities given by the Engineer.

Mr. CHAIRMAN: In the previous March? A. In the previous March.

*By Mr. Ducharme:*

Q. And for a concrete dam based on the plans of the wooden dam? A. Yes.

Q. Yet having altered the location to a more costly place, having altered the plans and specifications, that amount appears as the amount for which the contractors bind themselves to build the dam, is not that so? A. It does appear in the contract.

*By the Chairman:*

Q. On the 22nd of July, 1909, after, as Mr. Lake has pointed out, the location had been settled and all the plans and specifications made, did you not at that time know what the cost of the dam would be at the prices Kirby & Stewart were to receive applied to these new specifications? A. I did know as a fact what it would cost ultimately.

Q. You did not make the calculation? A. No.

Q. And up to that time, so far as you know, the calculation had not been made? A. So far as I know I do not remember any calculation being made there and then by the Engineer.

Q. Up to that time? A. Up to that time.

*By Mr. Ducharme:*

Q. At that time could it have been made? A. Yes.

Q. Could there have been made at that time a calculation based on the quantities shown in the plan and the prices named? A. The assumed quantities.

Q. The quantities shown on the plan? A. Yes.

Q. It could have been made and it was not made? A. The estimate was made later and turned out too low.

Q. Not because the plan was changed, but because new alterations were made later? A. And more difficulties unforeseen.

Q. And there were new alterations? A. Yes.

Mr. LAKE: I am doubtful still whether this sum has been put in.

The CHAIRMAN: He says that up to that time it was the only sum that had been calculated. Up to the time the contract was made at \$108,050, it was the only sum that had been calculated.

*By Mr. Lake:*

Q. Is that so? A. Yes. About the making of these contracts they don't come before me.

Q. Who would draw that contract out? A. Of course the contract after it is prepared by the Law Clerk is taken to the Deputy Minister so that the plans may be signed.

*By the Chairman:*

Q. Whose is that writing there, is it the Law Clerk's writing? A. It is either the Law Clerk's or his clerk's.



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*By Mr. Lake:*

Q. After the Law-Clerk has made out the contract does it not come before the Engineer at all? A. They are sent to the Engineer for action to be taken. Some of the contracts when they are prepared wait a long time for signature. Whether this waited a long time or not for signature, I cannot say. Sometimes they do. That would explain some delays in signing.

Q. What I want to know is this. When the Law Clerk was instructed to draw up the contract, do I understand you to say that no technical man looks at the contract to see it is drawn out in proper form from the technical aspect; does it simply go from the Law Clerk straight to the Deputy? A. To the Deputy Minister to sign.

Q. I notice among these specifications which are attached to the contract here, there is a special reference to unwatering. There appear to be two specifications here and neither one of them is dated, both of them are signed and neither dated. I notice that special reference is made to the unwatering and it is stated that the contractor is wholly responsible for the damage from freshets and other causes at his own cost and expense? A. That is practically in all specifications and contracts.

*By Mr. Ducharme:*

Q. Are those words there merely as a matter of form? A. They are pretty severe clauses and very often these matters are judged in equity.

The CHAIRMAN.—They appear to be more honoured in the breach than in the observance.

*By Mr. Lake:*

Q. You mentioned that the sum of \$4,000 struck you as being a rather small sum for the unwatering? A. Yes, it was rather small in my opinion.

Q. Are you in the habit in the Department of accepting the lowest tender in every case? A. That is the general rule in every case.

Q. You do not take the trouble of inquiring into the standing of the contractors or whether they are able to carry on the work or not? A. That has been done, to my knowledge last year and two years ago.

Q. But in this case you were satisfied? A. In this case I do not know that it was done. I do not know it was, I don't think it must have been done. Of course I am responsible to the Deputy and to the Minister.

*By the Chairman:*

Q. When the original tenders were put in and you saw the amount for unwatering varying so very largely in the various tenders, did your Department or you make up any calculation as to what in your opinion the unwatering and coffer damming would cost? A. Not me.

Q. You don't know if anybody else did? A. No.

*By Mr. Lake:*

Q. In a case like this where a man has apparently made a very small tender for the unwatering and he finds he is going to lose money on it, is it the practice of the Department to come to his relief, has that been done in cases which you know of before? A. There have been cases. I could hardly point out from memory, where claims have been referred and the matter has been considered in equity when it has been evident that the contractor was losing, that certain clauses of the contract which dealt with the legal point of view of the language, were laid aside and the matter was considered in equity.

*By the Chairman:*

Q. Do you recall any particular case in which an extra sum had been allowed to a contractor for a special service in relation to which he had been particularly

warned that that amount was to cover the service? A. I do not remember any particular case, but circumstances have been altered on account of the natural conditions.

Q. The circumstances were not altered in this case, after they signed the contract in 1909? A. They were to that extent.

Q. To what extent? A. To the extent that the difficulties for coffer damming proved to be much greater than anticipated.

Q. You did not anticipate that at all because there was no such thing as anticipating what was under water, he took the risk and you notified him that he was taking all the risks and that he would not get any more, and at that time he knew where the location of the dam was and could see for himself, and he visited the ground, and that was a risk which he took? A. You have to take my word about it, you know that the difficulties as anticipated were not as great as they turned out to be.

Q. Anticipated by you? A. By me or the Engineer.

Q. How did you know what the contractor anticipated? A. Oh, I did not know, I am not speaking about the contractor at all.

*By Mr. Lake:*

Q. What strikes me in this case is that it was mainly on account of the very low sum he put in for unwatering that his tender came to be so much the lowest of the whole lot? A. It was on account of the unwatering, I think, and his low price for excavation.

Q. Having obtained the contract, because he put in such a low price for these two, is it fair to the other tenderers that he, after the contract had been signed, and had agreed on these prices, should have received special consideration from the Department and get much larger prices than he contracted for? A. Well, that is a matter of consideration. The point of view I would take is that there was competition and that they were the lowest in the competition, and that gives them such consideration.

*By the Chairman:*

Q. Mr. Lake has pointed out to you, and as events have shown, and as your own judgment might have shown at the beginning, that they were the lowest because they put in for unwatering an absurdly low amount which never would have been sufficient for the coffer damming and unwatering of that dam, whether it was wood or concrete, as you yourself have pointed out in the evidence? A. I did not say absurd.

Q. Even supposing that you did not, the facts which you have related show that it was absurd? A. It was very low.

Q. Yes, very low, Mr. Lake says that they managed to be the lowest tenderers because they put in a sum so very low that it was not reasonable at all for unwatering, is it fair to the other tenderers for you to never give them any look in but to pay this original tender upon a much higher rate? A. I think I considered it fair and that is the way I recommended. I considered it fair because they had been told to go ahead and because they were the lowest—

Q. You considered it fair for the reasons you have given in your evidence?  
A. Yes.

Q. Let me ask you this question about the plans—Where a tenderer for a large public work becomes the lowest tenderer because he puts in an altogether too low sum, so low that examination would have shown it was absurdly low, do you consider it good practice for the Department to accept the tender simply because it is the lowest?  
A. No, sir, I do not consider it good practice, but it is the practice.

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Q. As a matter of fact, under good practice, the Department ought to form an idea as to whether the tenderer can reasonably do the work for the price which he is claiming? A. Yes.

Q. That ought to be the rule in good practice? A. Yes.

Q. If you follow the practice in the Department of giving to the lowest tenderer, then very frequently claims for extras, and extra consideration, and all that sort of thing are made and have to be adjudicated upon by the Department? A. Certainly, in my opinion, I am not in favour of the lowest tender being accepted in every case unless it commends itself to the judgment of the Department as being near the thing. It is a matter of policy, but in my judgment it is not the best policy.

*By Mr. Lake:*

Q. Have you known of many cases where a contractor has put in a very low tender and has made a claim afterwards to the Department that he is losing money by carrying it out, and in which the Department has insisted on his going on with the contract and losing the money and has refused to come to his assistance? A. No, I cannot point to any such case.

Q. You cannot remember any such case? A. When the Department has refused to come to the assistance of contractors that were really losing money, I cannot point out any case.

Q. Do you remember any case in which the contractor has returned money to the Department, upon the ground that he has made too much on the contract? A. Oh, no.

The CHAIRMAN.—It is a case of heads you win and tails I lose.

A. I suppose it is.

*By Mr. Lake:*

Q. Are there many cases where the contractor has been returned his deposit when he has to withdraw from his contract because he was losing money? A. Well, I might point to the Andrews Rapids Lock Case, although I do not know if it was entirely similar to this, but this is what took place. The contract was given to Kelly, who were the lowest tenderers at the time. They went to work and they delayed and delayed and tried to have some change made. The lock and dam were to be built of concrete and they were trying to have a change made from concrete to limestone.

Q. The contractors were trying to have the change made? A. Yes, and the change was to be made at a very much higher price. I remember the matter coming up during Mr. Tarte's time, and it was referred to me, very often for a report and I always reported against the change from concrete to limestone, because I considered that good concrete was better than the limestone they had out there and that therefore the extras the contractors were asking were out of all proportion and not reasonable. Anyway, my reason of refusal was that concrete was better than limestone. They did not succeed to have that change made and finally the contract was taken out of their hands and a board was appointed consisting of the Deputy Minister of Public Works, the Chief Engineer, and Mr. Brophy to try to settle the case, on whatever the contractors had done and take over their plant. That Board met and they got the contractors together and finally they made an award and the contractors were paid for whatever work they had done, and the equipment was taken over, just the same as we have taken over the equipment in this case, and ultimately we paid them something when the settlement was made. That is a pretty similar case.

Q. There, the deposit was returned to them? A. I cannot say positively, but that is my impression.

Q. You cannot remember any case of a deposit being forfeited because of the failure of the contractor to carry out the work? A. I cannot point out any case but my impression is that there may be such cases.

Q. In regard to the dam now being constructed I notice that on the 12th of July you stated you desired to change the design and to give a larger opening; you had again changed your position there? A. That was on the representations made by the lumbermen, they thought they should have a larger opening for the passage of their logs on the Quebec side. I know that the Engineer recommended a change there that the opening be left at sixty feet instead of twenty feet for the passage of the logs because last spring the logs jammed on the Ontario side at our sluices.

Q. Then it is fortunate that you did not go on and get the new dam constructed on the old plan? A. There are further recommendations made, the Engineer has also recommended more sheet piling in addition.

Q. In a letter of the 29th December, 1910, Kirby & Stewart refer to a considerable amount, part of which is not on the files at any rate, so far as we can see. Do you think that that correspondence is in the Department? A. I do not know, I was not there when the files were sent.

Q. There is one letter in which they state that before the 28th of December they had already—? A. That would be with the Engineer, I know there was lots of correspondence with the Engineer.

Q. This letter is addressed to yourself and is dated December 28, 1908, and although there is a quotation from it here I cannot find that letter. They go on to say:

“At the date of this letter, we had been verbally informed that our tender would be accepted, and although it had not formally been accepted by the Department, we had gone on and contracted for timber and plant to the extent of over \$20,000.”

I notice several gaps, apparently in the file; if you can come across any other files on the subject will you let us have them? A. Some of the correspondence may be with Mr. Coutlee. There was considerable correspondence, but I will look it up again and see if I can find any more.

*By Mr. Ducharme:*

Q. When you are making a coffer dam, as you did at Timiskaming, where it is that date to complete the coffer dam on the Ontario side of the river. Suppose they began on the 15th of June they would have July, August, September, October and November, that is five full months, to do their work; was that ample time? A. On the Ontario side only?

Q. Yes. A. Yes, they had ample time because the coffer dam on the Ontario side was not very extensive. I think they made an earth coffer dam there.

Q. When you are making a cofferdam, as you did at Timiskaming, where it is divided in two sides, which side should be taken first, don't you think it is the widest and most difficult side that should be commenced on? A. In this case the best side to begin with was the side that could be dry at low water, excavate this part, increase the passage at low water so that the sluiceways are able to let more water pass through and relieve the other side. That was the idea in this case.

Q. You would have made the excavation lower than the bottom of the river on the other side? A. All the river had to be excavated to the level of the sluices. The sluices there were laid below the natural bed of the river and the idea was to increase the passage there and relieve the Quebec side.

Q. From what you tell me, where the dam is built on the Ontario Channel the water is deeper there than it is at the head of the island on the other side? A. The most difficult channel and deep water was on the Quebec side.

Q. For the first dam, but not for the second dam? A. For both locations. There was a little more water for the first on the Ontario side but the extra depth of water

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was so little that it was easier to commence there. Mr. Coutlee is well *au fait* with the details.

*By Mr. Lake:*

Q. How long have you been actually in the inside service of the Department in Ottawa? A. Since 1908, but I have been in the Engineering Service at Winnipeg and Ottawa since 1889.

Q. You only came to Ottawa in 1908? A. I came down to Ottawa in 1908 from Winnipeg.

Examination of Witness, Mr. St. Laurent, closed.

OTTAWA, TUESDAY, January 23, 1912.

CHARLES DOUGLAS, sworn.

*By the Chairman:*

Q. You are employed in the Auditor General's office? A. Yes.

Q. You have been lately paying some attention to the claim of Kirby & Stewart connected with the Lake Timiskaming Dam? A. Yes.

Q. Examining the claim which they put in for the work done by them on that dam? A. Exactly.

Q. You have completed your examination of their books and accounts? A. Yes, of their books and accounts.

Q. Have you made a written statement yet? A. No.

Q. I find in the official files a statement by Kirby & Stewart, dated October 19, 1911, in which they claim a sum of \$225,941.77 as a balance due to them? A. Yes.

Q. You have had that account before you in considering this matter? A. We examine the vouchers on it.

Q. What amount have you concluded is due them? A. Well, we arrived at no definite decision at all; we satisfied ourselves that the amount that was claimed for the coffer dam was fair and reasonable and also that the cost of their plant which was examined I believe by Mr. Griffiths, that he would accept that. With regard to the rest of their claim, there was no definite decision upon it, in fact we did not conclude our examination of it.

Q. Who was with you in that examination? A. Mr. Chalifour of the Public Works Department.

Q. Are you still working at it? A. We have not done anything on it since the 8th of December.

Q. Mr. Chalifour of the Public Works Department, and who else was working with you on the matter? A. Mr. Donnelly remained with us for a while; he was with us the first day only.

Q. What suspended your work on the 8th of December? A. Mr. Donnelly was preparing a final estimate of the work done on the concrete which was to be sent to the Department.

Q. What had an estimate of the work done to do with the expenditure as to which they were to be paid? A. There was a clause in the Order in Council and also in their agreement with the Department to the effect that the agreement would be for the actual and reasonable cost of the work. There is a clause to that effect and there is a question as to the exact meaning of that.

Q. Between whom was the question? A. Kirby & Stewart and ourselves.

Q. They contended for the actual cost? A. For the cost as they put in their account.

Q. They contended they were entitled to be paid actual cost as their account showed that actual cost to be? A. Yes.

Q. And you contended what? A. Well, so far as we were concerned there was no contention at all. Mr. Soper, the bookkeeper for Kirby & Stewart stated that he considered that that was not a matter we could go into.

Q. Which was not a matter you could go into? A. As to whether they should be paid the actual cost as shown by the vouchers, or whether they should be paid according to contract.

Q. His contention being that you were there to look at their books for the purpose of examining their accounts, to merely see their accounts? A. Yes.

Q. Did you get the actual cost as shown by their books? A. Our position with regard to that was that they had vouchers for everything that totalled up their claim, except for a clerical error they had made of two or three thousand dollars.

Q. Which totalled up their claim as I have drawn your attention to? A. Yes, \$334,572.18 is the total amount of work they had done, except for a couple thousand dollars clerical error:

“Total cost of work including interest on advances and notes to bank to October 31, 1911, as per vouchers, \$334,572.18.”

Q. By the way, how could notes to the bank be included in the total cost of the work? A. Notes to the bank would represent accounts that the bank had paid for them.

Q. Did you furthermore find that the credits which they had given in the October 19th account were correctly stated? A. I think there was a difference in some of their accounts. They were paid for at the rate of work done plus fifteen per cent. actual cost plus fifteen per cent. They did not include the fifteen per cent in the statement of credits. I think it appears in this, \$7,434 in the account.

Q. So, that would swell the amount of the credit by a small sum? A. Yes.

Q. But in the main, if they were to be paid actual cost the balance of about \$225,000 at the time would appear to be due them? A. Yes.

Q. And leaving that question of the interpretation to be put upon these words: “reasonable cost,” to be determined later on? A. Yes.

Q. Since the 8th of December, you have had no further instructions in the matter? A. There have been no further instructions on the matter.

Q. In your examination of the accounts, did you ask for and examine in detail the vouchers for expenditure? A. Yes.

Q. And you found them all for expenditures that apparently had been made around the dam A. They seemed to be for expenditures of material sent up to Timiskaming.

Q. And for work? A. We concluded that was the only work they were doing.

Q. Were there any items for any considerable amount about which you had any doubt? A. There were a number of items that were not fully explained to us at the time but subsequently Mr. Soper explained them to us.

Q. He satisfied you as far as you had gone that the expenditure had been bona fide? A. Yes, it was merely a matter of adjustment of amounts. They had paid the bank by draft.

Q. You saw nothing there that struck you as not being for material or for labour or for service in connection with the actual work of construction? A. All the accounts seemed to be for the dam.

Q. The sum that you mentioned just now does not include the cost of the plant? A. The \$334,000 represents the total amount that Kirby & Stewart spent for the work there which will include what they paid for the plant.

Q. And which the Government proposes to pay for? The Government have taken over the plant, but they take over the plant at the valuation of Mr. Griffiths.

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That was one of the reasons why we concluded that the payment might be made for the work done on contract price, namely, that they had valued the plant.

*By the Chairman:*

Q. That is one reason why you considered that the word "reasonable" had to be taken into consideration, that in paying for the plant they had only been allowed for the actual value of the plant? A. The value as Mr. Griffiths gives it there, that there was no necessity of valuing it if they took it over at the actual cost to Kirby & Stewart.

Q. On the debit side of the account of Kirby & Stewart dated October 19, 1911, referred to above, the first item was \$334,572 in the words "total cost of work" and that is the full absolute expenditure for the plant? A. Yes, vouchers.

Q. Then, in the credit side of the statement, they put \$34,298.95, as being received from the Government on that appraisalment which had been made? A. Yes.

Q. They would seem, on the account, to have charged in the first item the difference between what they obtained by the appraisalment, and what the thing cost them? A. Oh yes, and which they said should go into the cost of the work as depreciation of plant.

Q. So that, if that contention were right, they would be receiving first, all their expenditure? A. Yes.

Q. Then they would be receiving the value of the plant on the ground, as appraised? A. Yes.

Q. And then they would furthermore be receiving, as part of the cost the depreciation of the plant in the meantime? A. Yes.

Q. So that if their contention for actual cost were the right one, the shorter way would be to say that they should be paid the full expenditure they had made and the plant should be taken over by the Government as part of their property? A. I should think so.

Q. In other words you would simply have found that their total expenditure on the work was so much? A. Yes.

Q. You would have assumed the work and with the work you would have assumed everything on the work? A. Yes.

Q. And the total amount of expenditure would simply have been paid? A. Yes.

Q. For that reason you contended that they were to be paid the reasonable cost of their work and that the actual would probably mean cost according to the contract price. Of course that would still leave open the question whether the depreciation of plant on the premises was not a portion of the reasonable cost if the work had been done economically? A. Yes.

Q. The dispute would simply come down to this: Whether where they had done work that cost more than it should have cost they should be paid for it or should lose it? A. Exactly.

Q. Upon that point you have no instructions? A. Well, personally, I should think—

Q. I do not ask you what you think; I am asking if you have received any instructions on that point? A. No. I may say that included in that \$334,000 are items of interest which they had paid the bank and which if the accounts were to come up again we would not allow.

Q. Would that come to a large amount on the total? A. I think it would amount to over \$10,000, probably more, I cannot tell exactly.

Q. That would not be part of the total cost; it might cost them that to run the business but it would not be a part of the natural cost of the business if they had money to pay for it instead of borrowing it? A. Exactly, it is included in the \$334,000.

*By Mr. Lake:*

Q. Does that include the fifteen per cent profit? A. No, the fifteen per cent profit on the unwatering appears up here (indicating). The amount here is \$225,000, whereas up here it is \$217,000. The \$225,000 balance does include the fifteen per cent.

Q. In reference to the Order in Council which directs that the work already executed which may be considered as absolutely necessary be paid for at actual and reasonable cost, has any question arisen between you as to what these words "which may be considered absolutely necessary" refer to? A. Between whom?

Q. Between you and the contractors. A. There was no mention of that.

Q. As that reads, without any comma, it might mean that only that portion of the work which may be considered as absolutely necessary should be paid for? A. Yes.

Q. There may have been a certain amount of work which was not necessary? A. Exactly.

Q. Is that as well to be paid for? A. We do not know anything about any work that is not absolutely necessary.

Q. You have not gone into that question? A. No.

*By the Chairman:*

Q. You did not direct your inquiry to find out whether there was anything that was not actually necessary? A. No, we merely compared their vouchers with their voucher book and with the cheques.

Q. If these words are open to the interpretation which Mr. Lake has just suggested, it would still have to be inquired into how much of the work charged for in the contractors' account was absolutely necessary? A. It would be a question for the engineers to decide. It is a very ambiguous sentence; it has always been so for us.

*By Mr. Ducharme:*

Q. Do you know anything about the first objection made by the Auditor General objecting to the contract being let without new tenders? A. I had nothing to do with it at the time; I was not working on it at the time.

Witness retired.

JOSEPH MURRAY CHALIFOUR, sworn:

*Examined by The Chairman:*

Q. You are employed in the Public Works Department? A. Yes, sir.

Q. What is your position? A. I am Auditor or Examiner of Accounts for the Chief Engineer's Branch.

Q. You have been engaged with Mr. Douglas and with Mr. Donnelly partially in examining the claims made by Kirby & Stewart concerning the Timiskaming Dam? A. Yes, sir.

Q. And the account dated October 19th, 1911, was the basis of your inquiry? A. Yes.

Q. We understood that about the 8th of December, you ceased work on that and have done nothing since? A. Yes, it was about the 8th of December we stopped work on that.

Q. I want to shorten the inquiry as much as possible, Mr. Douglas tells us that you found the main claim \$334,000 correct as to amount, except in two particulars, there being an error of about \$2,000 in the calculation and that it included about \$10,000 of interest to the bank for loans given to them from time to time? A. Yes.



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Q. He also says that that claim by them included the total amount which they had paid for plant? A. Yes.

Q. And as they were allowed and paid for the value of the plant as estimated by Mr. Griffiths, there would still remain in their claim a sum which represented the depreciation in the plant in the meantime? A. Yes.

Q. Which they contended they should be allowed as part of the cost of the actual work done by them? A. Yes.

Q. And then Mr. Douglas says that the work ceased because the Order in Council authorizing the payment said that the contractors were to be paid the actual and reasonable cost, and there was a dispute as to what was the precise meaning of these words? A. Yes.

Q. The representative of Kirby & Stewart claimed that all you had to do with it was to find what was the actual cost? A. Yes.

Q. You examined the vouchers in detail showing the amounts? A. Yes.

Q. There were bills and receipts and so forth for each of the items? A. Yes.

Q. And you went through them? A. Yes.

Q. When you got a bill and a receipt for the bill did you go any further to ascertain whether there had been an actual delivery of the articles, or did you just assume that they were all delivered? A. We just assumed there was delivery.

Q. In other words, when a voucher was produced in the regular form and receipted in a proper way you concluded they had paid for it that amount? A. Yes.

Q. Did you go to the extent of looking into the cheque books to see whether the payments had been made? A. Every voucher produced receipted carried its cheque in payment. Attached to the account was the returned cheque from the bank or the accepted draft.

Q. So you were satisfied that there had been an actual expenditure for the amount claimed? A. Yes, by the vouchers produced I was satisfied that they had incurred that expenditure; that is about the amount spent on the work by the contractors.

Q. Did you see anything whatever in this to excite your suspicion at all? A. No, not in the vouchers.

Q. Attention has been called here to an Order in Council dated August 11, 1911, under which you acted, and it contains these words:—

“Also that the work already executed which may be considered absolutely necessary be paid for at its actual and reasonable cost.”

Regarding the work “which may be considered absolutely necessary,” did you in your inquiry endeavour to find out what work was absolutely necessary? A. No, that is a question for the Engineers of the Department.

Q. You simply directed yourself to find the total expenditure? A. The total expenditure and more especially in connection with the unwatering, as at the time of the account nothing was decided as to the meaning of these words and the action the Department would take in connection with it, and my view of the examination was more towards passing the last accounts in connection with the amount of \$61,000 for unwatering.

Q. You had that more in mind? A. Yes.

Q. But that did not prevent you from carefully examining the others? A. Carefully examining all the other vouchers.

*By Mr. Ducharme:*

Q. You went through that account? A. Yes.

Q. That is for the whole amount of work done from the beginning by the contractors? A. Yes.

Q. I want to know if the \$334,000 was obtained by making a calculation as to the amount of work performed by the contractors? A. No, it is arrived at by the

contractors from their books, by the amount expended by them, the actual cash paid out by them on the whole work from beginning to end.

Q. Can you tell me if in that item there is anything for lumber? A. There are thousands of dollars worth of lumber. That covered every bit of material and every hour of labour that has been put there. It also covers some expenses at headquarters here, travelling expenses for the contractors, and interest paid the bank for borrowing money.

Q. The contractors are paid their travelling expenses to and from the work? A. Yes.

*By Mr. Lake:*

Q. Did they not pay themselves a salary? A. No.

*By Mr. Ducharme:*

Q. They were given out the contract in November, 1908. The second Order in Council is passed on the 30th March, 1909. Now, the contractors claim that while this change was taking place with the idea of building a wooden dam, they bought \$20,000 or \$30,000 worth of timber. I want to know if that was included? A. Everything. It was used in the dam, it was paid on the progress estimates.

*By the Chairman:*

Q. Take that charge for timber. You had no means of ascertaining whether the timber paid for was actually used in the dam or not? A. No, but our Engineer would have personal knowledge of that, the Engineer on the work would know.

Q. Did he certify that it had been used in the dam? A. No, he would not I suppose certify that it had been used in the dam, but in his progress estimates every month he would put in so much timber and so on.

Q. When you came to look at the total bill and found so much lumber charged, did you compare your progress estimates with the total charge to see if it was all accounted for or not? A. No.

Q. And Mr. Donnelly would not be there to certify whether it had all been accounted for or not? A. No.

Q. You just assumed from the bill that everything charged had been used? A. We assumed from the bill that everything charged was used. As far as we were concerned our duty was to look at these bills and see whether they appeared to be correct and if they were proper charges against the dam.

Q. Upon what one point as to whether they were proper charges against the dam would depend upon whether they were used in the dam? A. As long as they were shipped there and delivered there—

Q. You assumed they went into the dam then? A. Yes, just assuming.

Q. And the question may be raised by some one else whether actually they did go into the dam or not? A. Yes.

Q. What is the name of the Engineer who would know that? I suppose Mr. Donnelly would know.

*By Mr. Ducharme:*

Q. Whether the lumber is there or not, Mr. Donnelly will tell us that? A. Mr. Donnelly will know exactly what lumber there is; the amount of lumber that has gone into the previous coffer dam, and the amount of lumber that has gone into the present coffer dam because he was on the work all the time and made it his business to look after that.

Q. Mr. Griffiths appraised the machinery? A. Mr. Griffiths appraised the machinery, and appraised the whole plant and material on the ground. That \$34,000 is made up of a steam shovel, and a cable way and a winch, and a blacksmith shop and camps and some material on the ground and some in store.

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Q. Supposing there was some cement there would Mr. Griffiths put it on his bill?

A. Yes.

The CHAIRMAN.—Suppose a large amount of lumber had been brought down and been partly used and had gone away, Mr. Griffiths when he went up there, if there was any on the ground, would estimate what was on the ground, and that would be paid for as plant, but he would not enter into a calculation of how much had been used?

Mr. DUCHARME.—Yes, but I am putting this question to the witness—taking it for granted that there was a certain amount of lumber there which came from the dam and was appraised by Mr. Griffiths, would we not be paying for it twice, paying to the contractor plus fifteen per cent and paying for it as part of the plant?

The CHAIRMAN.—No, because what we pay to the contractor is credited to us, and so we do not pay it twice.

Mr. LAKE.—They purchased a certain amount of timber and you saw their vouchers for it, and find that that was used for the building of a shanty. Now, if we take over that shanty at its appraised value and pay for it, and if we also pay for all the timber that was sent it, are we not paying for the timber in that shanty twice over?

The CHAIRMAN.—No, if they were claiming the total amount and also claiming for the stuff on hand, it would be paid twice over, but they are not. They make a claim for the total amount and then they give credit for \$34,000, and consequently they are not getting paid for it twice. Mr. Griffiths would not have anything to do with the timber paid for in the dam that was floated away; he would only estimate the timber on the ground when he went there.

*By Mr. Lake:*

Q. I see that, but the other point appears to be still doubtful. You give them credit for every cent they paid for the purchase of timber, and if they used part of that timber in constructing shanties, and you buy the shanties, is the Government credited with that? A. Yes.

Q. Then Mr. Griffiths goes out and says: I calculate the value of these shanties and cook-houses at so many thousand dollars, and that is allowed.

The CHAIRMAN.—That is not allowed, the contractors are charged with it in the account. They are allowed for the total expenditures, and then when they are paid, what is estimated on the ground that is deducted from the total expenditure, and they are only asking the balance.

Mr. CHALIFOUR.—They claimed the total expenditures, that is their own claim.

The CHAIRMAN.—And we come in and pay part of it and then they said: We will give you credit for the part you paid, and having got paid for the lumber on the ground they don't claim for it a second time.

Mr. DUCHARME.—And we are losing whatever quantity of lumber was lost. We are paying for whatever lumber may have been sold to lumbermen or others. I do not say there was any, but we have to find that out. What Mr. Donnelly should do is to look at the bills for the lumber and say what was used and what was left and see whether they agree; that is the point.

Witness retired.

HAROLD HIGMAN DONNELLY, sworn:

*Examined by the Chairman:*

Q. By profession you are an engineer? A. Yes, sir, a Civil Engineer.

Q. How old are you? A. Twenty-four years.

Q. How long have you been engaged on the Timiskaming Dam? A. Since October, 1909.

Q. At that time you were about twenty-one years of age? A. Yes, sir.

Q. When did you graduate? A. I graduated from the Royal Military College in 1908.

Q. Was this your first practical work? A. No, sir, I had seen a good deal.

Q. I mean after leaving college, was this the first job you went on to? A. I worked in a shipyard after I left college.

Q. But when you entered the service of the Government you went on this work? A. Yes, sir.

Q. Who engaged you to go on the work? A. I came to Ottawa. I saw Mr. Goodwin, Assistant Superintendent of Dredging, and he introduced me to Mr. Coutlee and Mr. Coutlee sent me to Timiskaming.

Q. You said you had some practical experience? A. Yes, sir, I had a good deal.

Q. While you were going through the Military College? A. I worked with my people in Kingston, The Donnelly Dredging Company, and I started in when I was about twelve years old.

Q. How long were you at the Military College? A. Three years.

Q. During the time there would you have any practical work? A. Yes, sir, a good deal of practical work.

Q. Had you ever anything to do with dam building? A. Not at the Military College but with my own people in Kingston, we had hydraulic work, which is building docks and waterworks.

Q. That would be in still water on the lake? A. Yes, sir, and in the currents of the St. Lawrence.

Q. What did your do there? A. My people are in the salvage business and we worked a good deal in taking boats off the shore.

Q. Did you ever build a dam in a riverway such as at Timiskaming? A. No, sir.

Q. This was your first experience in that line? A. Yes, sir, placing cribwork in the current there. The handling of the cribs is much the same all over only there would be less weight to handle; it is something the same as taking boats off the shores down in the St. Lawrence currents.

Q. That is to say, if you are taking out cribwork, and attempting to sink it and hold it in the current, it would be something like lifting a vessel in the St. Lawrence? A. Yes.

Q. That remark would apply to any cribwork done in building a coffer dam? A. Yes.

Q. It would not have anything to do with the construction of the concrete dam itself? A. No, sir, but the concrete work is done in the dry.

Q. And is not of itself a very difficult work? A. Not when it is of the ordinary kind.

Q. And the practical difficulties that were reached in the Timiskaming dam were in connection with the coffer work on the Quebec side? A. Yes, sir.

Q. Your real difficulty had occurred there I suppose by scouring of the bottom? A. Yes, we have had more trouble this year and last in that line.

Q. And as to that class of work, such as obtaining a coffer dam in a riverway of that kind, and difficulties from scouring, and from the formation of the subsoil, would not have any relation to your experience in raising vessels on the St. Lawrence? A. No, but the handling of the cribs to get the cribs in place, that is the most critical part of the work.

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Q. Were you at the Timiskaming dam when it was swept away in the beginning of 1911? A. Yes, sir.

Q. You were up there at the time? A. Yes, sir.

Q. The water rose more than usually high? A. It was within eight or nine inches of extreme high water.

Q. By which you mean what? A. The extreme high water level of Lake Temiskaming.

Q. You mean past records or ordinary records? A. Records for forty years.

Q. You mean to say it was within what it had reached during that time?—A. Yes, so far as it was known.

Q. Would it be somewhat higher than an ordinary spring freshet? A. Yes, sir.

Q. The coffer dam on the Ontario side had been taken out the previous year had it not? A. The previous year, but the coffer dam in the Quebec channel was one-half in before that was taken out.

Q. What I am getting to is this: at the time that the Quebec coffer dam was swept away there was nothing on the Ontario side to stop the water except the dam itself? A. There is a much increased channel over there, but the amount of water flowing down the Ontario channel at that time, although there was a concrete dam across it, would be as great or greater than in previous seasons before the work began at all.

Q. Not with the two channels unobstructed? I am talking about the amount that was going down the Ontario side? A. Oh, yes, sir.

Q. Besides building the dam on the Ontario side the channel had been excavated out and the boulders cleared away and so forth? A. Yes.

Q. So that there was a greatly increased flow on the Ontario side? A. Yes.

Q. The water on the Ontario side during that freshet would be going over the Ontario side of the dam with a great head? A. Yes, sir, going through the sluices.

Q. Of course, the sluices were open? The amount of water that went over the coffer dam and then went through on the Quebec side would not be greater than usual in freshet water? A. You mean after the dam broke or before?

Q. When the dam broke was the rush of water coming on the Quebec side greater than in previous years before the other dam was put there? A. Only part of the coffer dam went away on the Quebec side and that left approximately one-half of the Quebec channel still obstructed, and we thought that what was going through on the Ontario side about made up for the obstruction on the Quebec side.

Q. Tell me this; am I to judge from what you say that it was not the great quantity of water on the Quebec side that carried away a part of the coffer dam but the water getting under the coffer dam? A. The coffer dam gave way on the shore end.

Q. That is on the Quebec side? A. Yes, there was about a fifteen-foot head there and out in the centre there was about twenty-eight-foot head, and the piers were not a great deal heavier and so we assumed that the water going over the top of the coffer dam got down under and scoured the bottom.

Q. The island end of the Quebec coffer dam remained? A. Yes, sir.

Q. And the weight of water going over that did not disturb that? No, sir.

Q. The level of the coffer dam would be about the same all the way across? A. Yes, sir.

Q. And there would be as much water going over on the island side as on the shore side? A. Yes, sir.

Q. So that would look as if the difficulties had been caused at the bottom? A. Yes, sir, and we have also seen since, we have had that channel nearly unwatered now, that the Quebec side is scoured out a great deal right along the shore.

Q. Is that because of difficulties in the bottom or some peculiar twist of the current? A. It looks as if the dam was not quite so solid on that side.

Q. When did you start in the work on the Timiskaming Dam? A. October 6, 1909.

Q. Who was there in your place before you went there? A. A. J. Matheson.

Q. When did he leave there? A. He left there to go into private practice as a consulting engineer.

Q. Was he a young man? A. I should judge he was forty-three or forty-five years.

Q. Where is he now? A. He is in Vancouver.

Q. Have you stayed on the work ever since? A. Yes, sir.

Q. Now as to the time you went to work, what was the condition of the work, how much had been done? A. There were two pits dug, one on each side of the Ontario side, some six thousand yards of material.

Q. One on the island and one on the shore? A. One on the Ontario shore and one on the island.

Q. That was where the concrete dam would commence and end? A. Yes, they were just pits that one derrick could reach.

Q. Would the river flow in and out of them? A. There was a little seepage but not much.

Q. Do you mean to tell me that at that time there was none of the concrete work done at all? A. No, sir.

Q. Was there any coffer damming done at that time? A. No, the channel is practically dry at that time of the year.

Q. When does the dry season begin? A. The water would drop sufficiently about the end of September.

Q. Up to the end of September during that summer, you were there, can you tell us what was going on there? A. I believe the contractors were getting their plant on the island.

Q. All summer? A. Yes.

Q. You would not have to wait on the Ontario side for the water to get down to do proper dam work? A. No, sir.

Q. And the coffer dam work on that side how was it done, was it by building cribs and floating them out? A. Yes, sir.

Q. On the Ontario side it was actually done that way? A. Yes, sir.

Q. The coffer dam would be how far north of the site of the dam? A. Three hundred and fifty feet.

Q. And every bit of it was actually built by floating it out and sinking it? A. At the shore end of course, which would be built in place.

Q. It would be sunk and filled with rock I suppose? A. Yes.

Q. What would be outside of it? Planking? A. Yes, or sheeting.

Q. You would put sheeting along the front part of the crib? A. Yes, sir.

Q. Outside of the sheeting would earth be put down? A. Yes, sir.

Q. The river would keep that earth down like an ordinary old-fashioned mill dam? A. Yes, the sheeting is vertical in this case, whereas in the old mill dam it was slanting?

Q. Just simply put down on the bottom or driven into the bottom? A. It could not be driven because of the boulders.

Q. If your coffer damming was done in that way, was any pumping necessary or did the thing just dry itself out? A. It was pumped out and there was a very little leakage, but perhaps a week after they had it pumped out, the water dropped away from the coffer dam sufficiently to leave the natural bottom to hold the water.

Q. When was the coffer dam on the Ontario side completed? A. About the end of June, 1910.

Q. And until that was completed was any concrete work done in the dam itself? A. Yes, sir.

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Q. When would that be done? A. That would be done in February, 1910, and the work went on up to the 1st of May, 1910, and then the spring freshets came on and flooded the foundation.

Q. The water coming over the dam? A. There was no coffer dam required before.

Q. You said the spring freshet came on in 1910? A. Yes, sir. The excavation was taken out in October and December of 1909, and January of 1910, and then some concrete work was done.

Q. That was all before the coffer dam? A. Yes, so far the coffer dam was not required there, and when the spring water came up, about the end of April, or perhaps the 15th of May it may be, the water came over the natural bottom and flooded the foundation. That was allowed to run for some two or three weeks and then the coffer dam was started on the upper Ontario Channel.

Q. How long did it take to build the coffer dam across the Ontario channel from start to finish? A. About two weeks.

Q. After it was completed you started and dried it to finish with the concrete? A. Yes.

Q. When was that finished? A. The concrete was all finished on the 15th September, 1910.

Q. On the Ontario side? A. Yes, sir.

Q. That was practically one year after you went on the work? A. Yes, sir.

Q. To the best of your knowledge and belief, after what you saw when you went there, is there any reasonable explanation of the long delay between May, 1909, when they began to work, and October, 1909, when you got there? A. The contractors' methods seemed primitive.

Q. That was five months, and up to that time except the two pits you speak of, there had not been a stroke of work done on the thing itself? A. Of course, it would take a month to build camps and get heavy machinery. It was a very awkward place to get machinery, and the whole island was very thick bush at the time.

Q. Could the work have been done from the Ontario side before getting machinery across to the island; could they not have gone on at the same time? A. They required a certain amount of machinery there to carry on the work.

Q. A certain amount of machinery where? A. To carry on the work right at the site.

Q. Yes, I know, but could not actual work in excavation and otherwise have been carried on on the Ontario shore even while they were getting their machinery over to the island; could not the two go on at the same time? A. Well, they would require certain machinery such as hoists and derricks to excavate the excavation.

Q. On the island side? A. On either side.

Q. Did they use the same derricks and machinery on both sides? A. Not the same, but they had two derricks up when I got there, one on one side and one on the other.

Q. Could not they have a derrick up on the shore side and continued doing the work before they got the derrick up on the island side? A. I believe they could, but I do not know exactly the conditions when they started.

*By Mr. Lake:*

Q. About how many men had the contractors on the work when you got there? A. They had about sixty men.

Q. You don't know how long they had been there? A. Only just from hearsay.

Q. Had they increased in number? A. Yes.

Q. You had heard that the contractors commenced to bring in their machinery and so forth the previous May? A. Yes.

Q. What I want to ask you is this: whether if they had been anxious to build and expeditious, and had taken hold of the work vigorously, a great deal more might have been done before you got there? A. I believe a great deal more could be done.

*By the Chairman:*

Q. Now, then, after you got there, from October until the next September, when the Ontario side was done, what was the progress of the work, satisfactory or otherwise? A. When they got the steam shovel in in November, 1909, the work seemed to go better.

Q. Up to that time, from October to November, while you were there, had the work been going on satisfactorily? A. No, it seemed very slow.

Q. It went better after you got the steam shovel? A. Yes, sir.

Q. It did continue all winter? A. Yes, sir.

Q. Steadily? A. Very steadily.

Q. What number of men would there be all winter? A. It was considerably increased, perhaps there would be 125 men.

Q. At what time? A. The force was increased in the end of November, I believe.

Q. In the spring of 1910 and the summer of 1910, up until the time that work was finished on the Ontario side, would the force be about that size? A. No, about June or July, 1910, the force was increased to about 225 men.

Q. Why could that same number not have been used there before? A. There is no reason that I know of.

Q. Putting concrete in the winter time, in the month of February we will say, in that river, how did you guard against frost? A. The concrete was covered with boards and then tarpaulin put over the boards to make them seam tight and coils were put in and live steam kept there.

Q. Had it been contemplated in the original contract that the work was to go on in the winter, or was it an extra that was provided for? A. I do not remember that the concrete should be laid in winter, but the specification I believe said that all precautions should be taken to prevent freezing of the concrete if it were laid in winter.

Q. That might imply it was going to be laid in winter? A. Yes.

Q. So far as the housing and heating was concerned, on the Ontario side, the contractors made no claim for special payment? A. They made a claim for a patch about twenty feet by twenty feet, and that had been frozen in the winter, and it was picked off in the spring and they could only get off about six or nine inches and they made a claim for that.

Q. I mean to say they made no claim for the housing and the heating on the Ontario side? A. They made a claim for digging a trench in frozen material.

Q. You have already referred to that? A. No, this is excavating as a deep cut or trench that went below the foundation of the bottom. They had to dig that out of frozen material, and it was slow work.

Q. The actual housing and heating of the concrete on the Ontario side was part of their contract and was paid for in the price of concrete? A. Yes, sir.

Q. Have you any means of knowing exactly what the coffer damming on the Ontario side cost? A. Not on the Ontario side.

Q. You have never tried even to form an estimate of what it cost? A. No, sir.

Q. How many men would be there during the two weeks that coffer damming was going on? A. A little less than one hundred; ninety men perhaps.

Q. How much was paid to these men per day? A. The labour averaged about \$1.75 per day and their board would cost from forty cents to fifty cents and that would be about \$2.20 or \$2.25 per day, and the material that they would pay for would be wood.

Q. And these men would be engaged in blasting, and taking the boulders out of the dam. Would any blasting be necessary? A. Yes, sir.

Q. Then their estimate of material for the coffer damming would be the timber? A. Timber and earth.

Q. I suppose they would have horses engaged drawing the earth? A. Yes.

Q. How many horses would they have on the job? A. About three teams at that time.



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Q. These would be their own horses? A. Yes.

Q. You have an appointment to act with an accountant from the Auditor General's office and another from the Public Works Department to examine the accounts of Kirby & Stewart? A. Yes, sir.

Q. The work having been taken over from them? A. Yes, sir.

Q. Did you assist the Accountant to some extent? A. I was in Ottawa last fall for a few days and it was not considered at the time that I was required; they were simply examining the books at that time.

Q. When do you mean? A. In November, 1911.

Q. Among the charges in the account of Kirby & Stewart as items for which they have paid, there is a large amount for timber used by them? A. Yes, sir.

Q. Could you by examining these bills for the timber which they have charged for, and by your knowledge of the coffer dam at both sides, form some idea, a pretty correct idea, as to whether the whole amount of timber they have paid for was used in the coffer damming? A. Of course you will find on the one side they have paid for so much timber, and on the other side you will find there was some of that timber on hand and taken over in the plant.

Q. Could you form some idea? A. Yes, sir, we could measure the cribs in place.

Q. The difference between what they paid for and what was left on hand ought to be either in the cribwork or wasted and gone away? A. Yes, sir.

Q. What I mean to say is, can you find out whether all the bills for wood and material can be accounted for? A. We measured their cribs that they built on the shore and that crib was taken out and put into place and then built up.

Q. I want you before you go away to see how much timber is charged for in Kirby & Stewart's claim and how much of that timber you can account for as being used or left there and taken over by the Government; do you understand what I mean? A. Do you mean before I leave Ottawa?

Q. Yes, before you leave Ottawa this time. With the assistance of Mr. Chalifour you can get the books and see how much is charged in Kirby & Stewart's bill and you can estimate what was used and let us know. Have you any data from which you could tell the amount of cement that they had used up there? A. Yes, sir.

Q. Did you get a list of that? A. We measured all the work.

Q. Can you compare that with Kirby & Stewart's account and see whether all they have charged for was used? A. Yes.

Q. Well, do the same thing with that as with the wood. Across the island, from the island end of the Ontario dam to the island end of the Quebec dam, what sort of a structure was put up? A. An earth filling there.

Q. Just an earth filling? A. Yes, sir. Of course it had a wooden trestle in the centre.

Q. Along which the cars ran for the earth filling? A. Yes, of course there was some loose rock in that.

Q. At high water, does not the river overflow the end of the island? A. Yes, but it would not come up as far as this earth filling.

Q. In very high water, the highest flood that has ever been known, I understand a very little of the island is uncovered? A. The earth filling is just the centre portion. I suppose with a cement dam built and sluices all open, there would be no danger of that earth fill being washed away; I suppose the water would not then come to it? A. No.

Q. And while the coffer dam is put on the Quebec side in case of a heavy freshet, would there be any danger whatever in the island being flooded now? A. It might be flooded, but there would still be lots of room on the island.

Q. There would be no danger of this embankment being interfered with by the water anyway? A. No, we had very high water and the embankment was not interfered with.

Q. Now, on the Quebec side, is the coffer damming completed? A. Practically completed. Of course there is always a certain amount of work to make the final stage.

Q. Have the cribs been put all the way across? A. Yes, sir.

Q. And the sheeting driven down? A. Yes, sir.

Q. And the filling with earth outside? A. Yes, sir.

Q. What work are you doing now? A. We are completing the second dam, what we call the pocket dam; there is some earth filling to be placed in that yet.

Q. What is that? A. It is only about half as high as the main dam below it. There is a better chance there to make the bottom of the sheeting tight, working in still water, or nearly still water, and this second dam, or pocket dam, holds the water up about eight feet and then the water is taken off in a trough and perhaps only quarter the amount of pumping is required to dry the pit.

Q. That would be water between the first coffer dam and the second coffer dam? A. Yes, sir.

Q. What is the idea of that, is it to make the first coffer dam safer? A. The first coffer dam has a certain amount of leakage in it, and this leakage is too much to be handled by the ordinary pumping.

Q. The result of that would be that you expect to get a dry place for the cement? A. Yes, below the second dam.

Q. Has the concrete work on the Quebec side been commenced? A. No, sir, there is excavation and pile driving to be done.

Q. Have you commenced that? A. I had a pile driver in position and the water is still in the foundation of the pit.

Q. You mean the foundation pit for the concrete dam? A. Yes.

Q. Into which you are driving these piles? A. Yes.

Q. Are these piles to be surrounded by concrete? A. They would be placed above the concrete for a cut-off wall into the material, the bottom is considerably softer on that side than on the Ontario side.

Q. Will they be left there all the time? A. Yes, sir.

Q. And you drive them as far as you can? A. Yes, sir.

Q. The actual work of laying down the cement has not been begun on the Quebec side at all? A. No, sir.

Q. How many men have you employed? A. About 130 to 140.

Q. Is that all that can be used? A. As soon as we can use more men, it will be no doubt in a short time, we are putting in about forty men more.

Q. Can they be easily got? A. Yes, sir.

Q. Are they living around there? A. No, we have to send out for them; we get a good many in Ottawa.

Q. You have no trouble at all in getting as many men as you want? A. No, sir.

Q. You can put on as many as can be employed on the work? A. Yes, sir.

Q. When do you expect to begin the actual cement work? A. It is hard to say, it depends upon how the pile driving goes.

Q. Do you mean to say how quickly it can be done or the extent of it? A. How quickly it can be done.

Q. Is there much pile driving to be done? A. Yes, sir.

Q. On both ends, in the centre, or where? A. Above the concrete and below.

Q. All the way across? A. Yes, sir, if we can.

Q. Where do you find the greatest depth of material soft enough to drive into; in the middle or on the end of the work? A. On the island end, so far.

Q. You are going to have in front of the back of the slab a cut-off wall? A. Yes.

Q. Is this concrete driven in front of the cut-off wall? A. All the concrete will be inside of these two lines of piles.

Q. About how deep are these cut-off walls to be? A. Ten feet across.

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Q. Ten feet from the top to the bottom? A. We will clean off the bottom to get a grade right across and ten feet below that grade.

Q. The slab will be three feet thick and then this cut-off wall, where you can, will be ten feet below that making thirteen feet? A. Yes, sir.

Q. Will your piles go lower than that thirteen feet? A. We expect they will go perhaps six feet below the thirteen feet.

Q. You have got down now to September, 1910, when you finished the Ontario side; what was the next work undertaken? A. While the work in the Ontario channel was being completed the coffer dam and crib work was started in the Quebec channel.

Q. That would be 1910, about what month? A. About the 15th of December.

Q. Now then, you have the contract begun and the men on the ground in May, 1909, and the Quebec end started, only in September, 1910; more than two seasons has gone by up to that time and nothing whatever had been done on the Quebec side? A. Perhaps there would be a few boulders blasted as early as the 1st of December on the Quebec side.

Q. Was there any reason why, if sufficient men had been got, and sufficient material obtained, that a good deal of excavation work and other work could not have been done on the Quebec side? A. The Quebec side excavation was all wet practically.

Q. It remained wet, did it not? A. It was under water until that side could be unwatered by coffer dams.

Q. Was it not possible, and has not a great deal of excavation been done, north of the coffer dam in order to clear the channel and all that sort of thing? A. Not on the Quebec side.

Q. It was on the Ontario side? A. Yes.

Q. It is not intended to do it on the Quebec side? A. The channel is a good deal lower on the Quebec side than on the Ontario side and there was some intended but not much?

Q. The first work to do on the Quebec side would be coffer damming? A. Yes.

Q. And would you say that that would have to be done in order to get the bed of the river dry enough to excavate and clear it out below the coffer dam? A. Yes.

Q. Practically nothing could be done on the Quebec side until the Ontario side was finished? A. Yes, sir.

Q. You would have to be ready, I suppose, to take away the coffer dam on the Ontario side before you would build a coffer dam on the Quebec side, so as to let the water go? A. Yes.

Q. Until you took away the Ontario coffer dam there would be no outlet for the water? A. No, sir, but the Ontario dam had to be held in until the work was finished on the Ontario side.

Q. When was the Ontario coffer dam taken away? A. On the 18th of October, 1910.

Q. How was it taken away? A. It was taken away by dynamite.

Q. And allowed to go down stream? A. Yes.

Q. And it went out with a rush of water and went through the cement dam and so on? A. Yes, and then the contractors continued to build up more of the dam on the shore end until finally the whole of the dam was out?

Q. The material in that case would all be wasted? A. Yes; it would practically be of no use except for firewood.

Q. You started then in October, 1910, with the coffer dam on the Quebec side? A. No, the shore end was started a little before.

Q. In December? A. Yes.

Q. I notice in a report by you dated 28th November, 1910, you refer to dredge excavation which had taken place. What dredge excavation is that? A. That is on the Ontario side.

Q. Done by the Government, I suppose? A. Yes, sir.

Q. I show you a report dated December 12, 1910, covering from April to November, is that your report or Mr. Coutlee's report? A. Mr. Coutlee's. Parts of it may be taken out of my report to Mr. Coutlee.

Q. Well, there was an arrangement with the Government about the housing and heating of the work which Kirby & Stewart were undertaking in the fall of 1910 on the Quebec side? A. Yes, sir.

Q. That would be housing and heating of concrete? A. Yes, sir.

Q. Was any concrete done on the Quebec side by them? A. Only a few yards.

Q. Is that on the island side or on the shore side? A. On the island side. And it was done in the spring.

Q. It was done in the spring of what year? A. 1911.

Q. Just before the dam broke? Yes.

Q. I find this in the contract:—

"Winter work; concrete will be laid during freezing weather only under written instructions as to the precautions to prevent freezing. Work will be stopped and resumed as directed and the material and plant will be kept heated and a mixture of salt will be added."

—there was a provision in the original contract that if desired the material would be kept housed and heated at the expense of the contractors.

The Commission adjourned until Wednesday, January the 24th, when the examination was continued.

OTTAWA, WEDNESDAY, January 24, 1912.

PRESENT:

Honourable A. B. MORINE, K.C., *Chairman*.  
 G. N. DUCHARME, Esq.,  
 R. S. LAKE, Esq., } *Commissioners*.

The examination of Mr. Donnelly, Engineer of the Timiskaming Dam, was continued from the previous evening.

HAROLD HIGMAN DONNELLY.

*By the Chairman:*

Q. Were you dealing with the question of housing and heating on the Quebec side, when the work was begun at the end of 1910. I think you said that prior to the going out of the coffer dam on the Quebec side there was very little cement or concrete work done? A. Yes, sir.

Q. Had that been done in the cold season when housing and heating was necessary? A. No, that was done some time in April.

Q. So there really was no housing and heating done? A. No, sir.

Q. I notice in the account of Kirby & Stewart there is an item for the heating of the building of \$2,422.29? A. Yes, sir.

Q. What building would that be? A. That is material for heating building. They were ordered to have the material on hand, the lumber and steam coils so as to be ready to erect a building over the concrete and heat it.

Q. That was on hand and has been taken over by the Government? A. Yes, sir.

Q. And that material would form part of the plant valued by Mr. Griffiths? A. No, sir, it does not come under the heading of plant.

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Q. Has any account of it been taken in order to see what value it was? A. Yes, sir, it was checked when it was delivered on the work.

Q. And of course the charge for it is included in the general amount which the contractors are asking for? A. Yes, sir.

Q. In the summer of 1911 the Department commenced the work of coffer damming on its own account across the Quebec Channel? A. There was no preparation made until some time in August, late in the summer.

Q. When it was undertaken under the foremanship of Fillion? A. Yes, sir.

Q. And under your direct charge? A. He had direct charge of the actual coffer damming.

Q. What was your official designation? A. I am Assistant Engineer to the Engineer in Charge, actually on the ground.

Q. You would be there ordinarily every day of the week? A. Yes, sir.

Q. Mr. Coutlee is the man in charge? A. Yes, sir.

Q. How frequently as a rule would he visit the work? A. I could not say off hand, sometimes three or four times a month and at other times not so often, about twice a month.

Q. His headquarters were in Ottawa? A. Yes.

Q. And I suppose, besides his work on that particular dam, he had the oversight of other works? A. Yes, sir.

Q. After the coffer dam went out and until the work was undertaken under the charge of Fillion what was being done? A. There was a small gang of men kept working at the Ontario Channel making small improvements there.

Q. Under the Government? A. Yes.

Q. Was anything done by the contractors? A. Yes, we were directing that work, and they were supplying the men and the tools and the material.

Q. Outside of their contract? A. Yes, sir.

Q. What I meant was this: their force was at work on the coffer dam at the time the freshet carried it away? A. Yes, sir.

Q. They were engaged in making it tight? A. The work was changing around about then, from coffer damming to permanent work.

Q. Yes, but they had their staff there? A. Yes.

Q. How many men would there be at that time? A. I believe about 240 or 260 men.

Q. That was in the month of May? A. Yes.

Q. That was the largest party ever there, was it? A. Yes.

Q. Immediately on the dam going out were those men dismissed? A. Yes, a few days after.

Q. And no coffer damming was undertaken? A. Not till the Government started on the work.

Q. Not till the Government started on the work? A. No.

Q. Was it not possible to begin preparation for coffer damming? A. The water would be too high to float the cribs out.

Q. But there easily could have been preparations made for the preparation of the cribs? A. We could get timber on hand.

Q. Does that timber require to be cut to lengths and made ready to be put together? A. Some foremen require round timber and others require the timber sawn and squared.

Q. Do you mean that the foreman required some of one kind and some of another? A. Yes. Now, Mr. Fillion in charge of the crib building now, preferred to use the square timber.

Q. What I mean is this; if the contractors had merely in view the object of getting the work done as quickly as possible, was there anything they could have gone on to do during the summer in preparation for the coffer damming when the water

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went down? A. Yes, sir, if they looked ahead they could get stone filling on hand and timber on hand.

Q. Apparently after the coffer dam went out the contractors acted as if they did not intend to complete the job? A. Yes.

Q. They kind of threw up their hands and didn't care? A. Yes, sir.

*By Mr. Lake:*

Q. That was your belief at the time? A. That was my thought.

*By the Chairman:*

Q. Based up on the things that were not done? A. Yes, sir.

Q. Was not timber collected during the summer up to the time that Filion was put on the job? A. No, sir.

Q. Then there would be considerable delay after he went to work to get the timber? A. Yes, sir.

Q. Would that last over several weeks? A. Yes, sir, it would last perhaps two months.

Q. That timber would have to be brought a long distance? A. Some of it was delivered on the work by contract, and some of it brought down about two and one-half miles.

Q. It had to be cut down I suppose? A. Yes, sir.

Q. And specially for that work? A. Yes, sir.

Q. And then what had to be done with it? A. It had to be floated down to the work and sawn there.

Q. Sawn by hand? A. No, sir, there was a sawmill there.

Q. Belonging to whom? A. Belonging to the Government.

Q. As part of the plant? A. Yes, the Government bought a mill and erected it when the work was resumed.

Q. Kirby & Stewart had nothing of the kind there? A. No, sir.

Q. But that could have been done very early in the summer? A. Yes, sir.

Q. Besides the erection of the mill and the getting of the timber, and so forth, Filion would have to prepare for the ballast to sink the crib? A. He would just say what he wanted and the men under my charge would get it.

Q. When I said Filion would have to prepare, what I meant was that the whole work of collecting the stuff had to be started? A. Yes.

Q. And the work done in the bed of the river was by blasting? A. It was done by blasting perhaps 1,500 feet above the coffer dam site.

Q. That took you how long? A. We were able to prepare the stone as fast as it was needed in the cribwork.

Q. What time was the actual work of sinking the cribs possible, what was the earliest that you could have got the cribs floated out? The water, I suppose had to get a little low? Could cribs have been floated out in August, for instance? A. Yes, with more difficulty.

Q. But still it was possible? A. Yes.

Q. What is the lowest time of the water? A. The lowest time is just in March and the middle of April.

Q. From August on, does it keep on getting lower and lower? A. Yes, as a rule.

Q. And you don't expect any increase or freshet until the spring comes? A. At times there is a rise in the lake's surface, sometimes in the fall.

Q. Due to heavy rains? A. Yes.

Q. But that would not be serious? A. Well, it was serious in 1910.

Q. But not in 1911? A. No.

Q. So that the work of coffer damming could have gone along from August right through 1911? A. Yes, sir.

Q. And a considerable time was lost by the fact that active work was not commenced to prepare immediately after the dam went out in May, 1911? A. Yes, there was some time lost.

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Q. Do you know Kirby & Stewart personally? A. Yes, sir.

Q. Did you know them before you went on the dam work? A. No, sir.

Q. Where did you see them? A. I met both gentlemen on the work at different times.

Q. Were they there regularly, either one of them? A. In 1909, they were there quite frequently, but not in 1910.

Q. Who was there the most frequently, Kirby or Stewart? A. Mr. Kirby.

Q. He was the man who had most to do with the actual operations, was he not?  
A. He seemed to me to have the most to do with them.

Q. I understand he is what is called a practical man to some extent? A. Yes, sir.

Q. In 1909, he was there oftener than Stewart? A. Yes, I believe he was, until towards the end of the work Mr. Roger was there nearly all the time.

Q. Who was Mr. Roger? A. He is a member of the firm.

Q. Is he a member of the firm or an employee of the firm? A. I understand he is a member of the firm.

Q. In what year was he there pretty nearly all the time? A. At the time of the unwatering of the Quebec Channel.

Q. That would be when? A. 1910.

Q. I see a letter here from Mr. Coutlee to the Deputy Minister, dated the 4th February, 1911, which says:—

“Mr. Donnelly has been trying his best to direct the work at Timiskaming as the Department is paying for the coffer dam, but the contractors, Messrs. Kirby & Stewart, are never upon the work themselves and never have been. Their negligence amounts to a breach of faith with the Department at this critical stage of the operation and I wish to protest emphatically.”

A. Yes, it was after that letter was written that Mr. Roger came on the work and stayed there practically all the time.

Q. He was not there before that? A. No, sir.

Q. Was he there at all before that or was it very seldom he was there? A. He might have been there to visit.

*By Mr. Lake:*

Q. Roger was there from February to May? A. Yes, sir.

*By the Chairman:*

Q. Is the language just quoted by Mr. Coutlee a fair criticism of the fact? A. Yes, sir, my idea of constructing work is that some member of the firm should be on the work continually.

Q. And you believe that the work suffered in 1910 from the fact that they were not on the work? A. Yes, sir.

Q. In their absence during 1910 who had charge for them of the work? A. They had different superintendents.

Q. Do you mean at different times? A. Yes, sir, I cannot say just when a new man came on. They had four superintendents altogether.

Q. During 1910? A. No, during the time they were at Timiskaming.

Q. Up until Mr. Roger came on the work? A. Yes, sir, the fourth man was in charge there at that time.

Q. Prior to Mr. Roger coming, there had been three men come and gone? A. Yes.

Q. What was the name of the fourth man? A. Charles Chesbro.

Q. What was the name of the man before him? A. Morrison.

Q. Do you know where he belonged? A. He came on the work, I do not know his initials, he came from Peterborough, but I believe he was originally an American.

Q. Was he there in 1910? A. Yes, sir.

Q. How long? A. About three months.

Q. Was it under him that the Quebec coffer dam began? A. No, sir, that was Mr. Chesbro.

Q. The men that were there before had to do with the Ontario side? A. Yes, sir.

Q. What was the name of the man before Morrison? A. MacNair.

Q. And before him? A. Wade.

Q. The general character of these men was that of foremen? A. Called superintendents.

Q. I was speaking, really, of the standing of the men, and whether they were of the foreman class? A. Yes, sir, just outside men.

*By Mr. Lake:*

Q. Do you know, to your knowledge, the reasons why the superintendents left? A. Wade was dismissed, MacNair died on the work, Morrison had some trouble with the Engineers and resigned, and Chesbro stayed.

*By the Chairman:*

Q. Generally, up until the time that Roger came on the work, we can say that you were dissatisfied with the progress of the work? A. Yes, sir.

Q. And you did not think that the contractors and their men were up to time and pushing the work as it ought to be pushed? A. Yes, sir.

Q. We find in the minute of Council passed to take the work over from these people altogether that it says they are to be paid for the work done which may be regarded as necessary. In the Order in Council, dated the 11th of August, 1911, the following language occurs:—

“That the work already executed, which may be considered as absolutely necessary, be paid for at its actual and reasonable cost.”

Can you mention any work that was done by Kirby & Stewart that you did not consider absolutely necessary? A. I do not recall any at the time.

Q. You cannot suggest to us what is meant by these words? A. “The work already done which may be considered as absolutely necessary.” A. No, sir.

Q. Generally speaking you would say that all the work that was done was absolutely necessary? A. As far as I can remember, of course, their methods at times did not agree with what I would think a right mode of proceeding.

Q. Their methods of doing a particular work in your opinion was sometimes not a right method but the thing that was done would be a necessary thing to be done. I will put it this way: you think the object to be accomplished was a necessary thing, but that the manner of doing it did not always please you? A. Yes, sir.

Q. In what respect would the manner of doing it not be according to your view? A. At times the men were kept doing work that might have been done by machinery or horses.

Q. Would you say generally that in your opinion there was a waste of money in not doing things by machinery which was done by men? A. Oh, yes.

Q. Loss of money and loss of time? A. Yes, sir, but not great loss of money.

Q. There would be a considerable loss of time, I suppose? A. Yes, sir.

Q. Speaking upon the whole, in consequence of the methods which were followed, was there a great loss of time compared with what might have been done if the work had been vigorously prosecuted? A. Yes, sir, on the whole work.

Q. It was not vigorously prosecuted was it? A. No, sir.

Q. If you had had charge of that work for the Government, with the means that could have been got around there in men and material, might the work have been greatly hastened from the outset? A. I believe so.

Q. I find there are the words used also:—“Paid for at its actual and reasonable cost.” It would appear that the actual cost might not be the reasonable cost? A. Yes, sir.

Q. In other words that the actual cost might be too costly? A. Yes, sir.

Q. In your opinion, was there in fact a considerable difference between the actual cost of the work done by the contractors and the reasonable cost of that work? A. In the whole work I believe there was.



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Q. You have not had time to prepare these memos. that we asked you for last night? A. I will try to get them this afternoon.

The witness then made this statement: I would like to correct a statement I made yesterday afternoon. When we were changing the work from the Ontario Channel to the Quebec Channel, there was no distinct finishing of one and starting of the other. The first part of the Quebec Channel work was being done while the other was being finished and I said yesterday that only the shore end of the coffer dam was built when the Ontario side was blown out, but there was more work done in the Quebec Channel than that. The coffer dam was nearly one-half way across the stream and about three-quarters height before the Ontario coffer dam was put down.

*By Mr. Ducharme:*

Q. How high was the coffer dam made on the Ontario side? A. About six or seven feet.

Q. You said yesterday that there was but little damage done to the concrete work on account of the frost? A. Very little.

Q. Can you estimate that damage? A. Yes, sir, we have the quantities that were frozen, that were picked off, in my notes in the office.

Q. Can you give us that? A. I could get them from Timiskaming.

Q. What size was the dam built in the Ontario Channel? A. It was about two hundred feet long.

Q. From one shore to the other shore? A. From the Ontario shore to the island shore.

Q. And how high? A. About six or seven feet.

Q. How thick? A. About five feet. Are you referring to the coffer dam?

Q. No, I am referring to the dam that was built, the concrete dam? A. Then I beg your pardon, the piers are five feet wide, they are the same width all the way up and twenty-four feet high.

Q. And the dam itself? A. The concrete is about four hundred and eighty feet long with sluiceways at intervals. The dam is not a continuous structure, naturally the wooden stop-locks are placed between the piers.

Q. How high would the concrete work be? A. Twenty-four feet.

Q. How thick was the dam? A. Five feet.

Q. Your coffer dam was only six or seven feet? A. Yes.

Q. Why was the dam made four hundred and eighty feet long when the coffer dam was only four hundred feet? A. The coffer dam was built on the natural channel, but that channel is to be improved to 400 feet wide, to nearly the width of the main dam.

Q. You say that there was a crib made on the island? What would be the idea of that work? A. That was to join up the two systems of sluiceways.

Q. Was it to come level with the dam itself on both sides? A. Yes, roughly.

Q. How high was that work on the island? A. It varied from three feet to ten feet.

Q. The dredge *Queen* was working there? A. Yes, sir.

Q. Was that dredge there when you arrived on the work? A. It arrived about the same time as I did or perhaps a little before or a little after.

Q. What kind of work does the dredge do there? A. Excavating the upper channel above the Ontario sluice.

Q. Not on this contract work? A. No, sir.

Q. Do you know where the first dam was to be built? A. I know the location.

Q. Is it just as dry there as it was where you built the dam a second time? A. No, sir, there is more water there. There is less water where the dam is being built. There is more water at the head of the island than at the other place.

The CHAIRMAN.—By more water you mean a greater depth of water? A. Yes.

*By Mr. Ducharme:*

Q. It was more advantageous to change the location? A. Yes.

*By the Chairman:*

Q. How do you mean more advantageous? A. Half of the work could be done on the dry or nearly dry, at the second location.

Q. And therefore that would be to the advantage of whom? A. It would be to the advantage of the contractor and the Government. The contractors would meet with less difficulty and it was supposed it would be finished sooner.

*By Mr. Ducharme:*

Q. You saw the second dam in the Ontario channel which is about 480 feet; how long would be the Quebec Channel dam? A. About 415 feet. The Ontario dam is some 75 feet longer than the proposed Quebec dam.

Q. How long would have been the first dam proposed? A. I do not know it would be longer, the wooden dam would be about 1,500 feet.

*By the Chairman:*

Q. That would include the bulkhead on the island? A. Yes, sir.

Q. And that bulkhead would be on dry land at low water? A. Yes, sir. But the other figures for the concrete of 800 feet do not include the island. The old dam would be 1,100 feet of cribwork and 380 feet of bulkhead.

*By Mr. Ducharme:*

Q. From the first wooden dam on the Ontario side to the present dam on the Ontario channel, what is the fall? A. There is a rise of from 12 to 14 feet. The natural bottom of the stream was that much deeper where the wooden dam was to be put than it was where the concrete dam was actually put. The bottom where the wooden dam would have been is 14 feet lower than the natural bottom.

Q. Is there not a fall and a swift current there? A. Not naturally on that side.

Q. There was more water where the wooden dam was to be built than at the place where it was actually built? A. Yes, sir.

Q. Therefore the construction of the dam on the present location would not be any more costly than it would have been had the dam been built at the former place? A. Except for the change of material.

Q. Same dam built in the new place would not cost any more than if built in the first location? A. It would have cost less at the second position than it would had it been built at the originally intended place. That is my opinion.

*By the Chairman:*

Q. You mean to say that that class of work, concrete work, and the depth of water, would be more expensive at the wooden dam site than concrete work at the new site? A. Much more.

*By Mr. Lake:*

Q. The change of site from the head of the island to where it was finally put would make the work less costly than it would have been in its original position? A. Yes, sir.

*By the Chairman:*

Q. The concrete work and the foundation would be less expensive to do at the new site than at the old? A. Yes, sir.

Q. Furthermore, if they had started to build a concrete dam at the old site, would not the difficulty of coffer damming have been greater and more expensive than at the new site? A. Yes, sir, much more.

Q. Because as a matter of fact, you could never get the old site dry at any season of the year without coffer damming? A. No, sir.

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Q. And to build the concrete dam on the old site right across from the Ontario shore to the Quebec shore would have meant that the coffer dam would have to be built in deep water nearly to the island, right from shore to shore? A. Right from shore to shore.

Q. And then instead of having, as you have on the new site, two comparatively short coffer dams, you would have one long coffer dam all the way? A. Yes, and elaborate precautions would have to be taken to allow the water through one end.

Q. By having the two streams you could coffer dam one and do the work leaving the other open? A. Yes, sir.

Q. But if you had only the one coffer dam from shore to shore, you would have to take extra precautions? A. Yes, sir.

Q. Would not the strain on a coffer dam so long and not buttressed in the middle be very much greater than the strain on two coffer dams such as you built? A. Yes.

*By Mr. Lake:*

Q. Is the current greater in the Quebec channel than at the head of the island? A. Yes.

Q. Even taking that into consideration, the pressure on the coffer dam in the Quebec channel would not be so great as the pressure on the coffer dam on the first proposed site? A. Of course the pressure on the dam depends just on the height of the water alone. Where the current is stopped the pressure is the same. It is a little harder to place a dam in a current, but once the current is stopped the pressure for the same depths is the same, no matter where it would be.

*By the Chairman:*

Q. Speaking about that, when it was suggested here by another witness, that on the Quebec side, in consequence of the channel being narrower at the former site than it would have been at the head of the island, there was a much more rapid current, and the witness thought that would make the work of coffer damming much more difficult; what have you to say to that? A. Yes, it would, but at the first proposed site the coffer dam would have to be built ahead of the permanent work, and the depth of water increases as you go north, so that you would have a much higher coffer dam there.

Q. When you use the words "ahead of the permanent work," what do you mean? A. Further up the lake, north.

Q. Do you say that after the coffer dam is built, the strain upon it is a matter entirely of the height of the water? A. Yes, sir.

Q. Because there is no current when the dam is built? A. Yes, sir.

Q. Consequently the increase of difficulty from the current would be small in sinking the piers? A. Yes, sir.

Q. Once you get them sunk and your water stopped, the strain would be a matter of the weight of the water? A. Yes, sir.

Q. In the case of a long coffer dam from shore to shore north of the old site that was chosen, there would be nothing in the centre of the coffer dam except you buttress the coffer dam itself? A. Yes, sir.

Q. The point I wanted to get at is, whether the great length of a coffer dam unabuttressed and nothing behind it would not make the strain very great right in the centre through weight of water? A. Yes, sir, and a long dam of that length you could break just a little bit and it would open up so much more.

Q. And that would be subject to be swept up more quickly? A. Yes, sir.

Q. So that it actually made coffer damming very much cheaper to do in the position it was placed in than it would have been to coffer dam on the original site? A. Yes, sir.

*By Mr. Ducharme:*

Q. That would apply to unwatering; there would be less water to pump out?  
A. Yes, and the decreased area you would have to pump out would make it cheaper.

Q. There is quite a piece of work done on the island by earth filling; can you estimate the cost of the value of such work? A. I could estimate what it cost to put the fill there, but its value when there is pretty hard to say.

Q. How long was this fill on the island? A. Seven hundred and twenty-five feet.

Q. Do you know how much it did cost? A. I do not know.

Q. Could you estimate it? A. Yes.

Q. How much do you think it would cost, giving an estimate now right away?  
A. Roughly speaking, it would cost from \$3,600 to \$4,000.

Q. Was there an apron put to the dam? A. Yes, sir.

Q. Would there have been one in the first dam just as well? A. It was the same style of dam.

Q. There was no extra apron put there more than whatever apron you would put to any dam? A. Not in that class of material in the geological formation of the bottom in that locality?

Q. You say that in the spring of 1911 the freshets took away part of the coffer dam on the Quebec side; how much of it went away? A. About one-half.

Q. How many feet? A. About 240 feet went away.

Q. That was from the island shore? A. From the Quebec shore to the centre.

Q. Was that a great loss? A. Yes, sir, it had to be built in again.

Q. What did it cost to put it there? A. It cost approximately \$30,000 to replace it.

Q. As you did replace it? A. Yes.

Q. Do you know what the whole coffer dam work had cost at first? A. The whole work cost \$61,400, that is what Kirby & Stewart put in the account.

Q. They called it unwatering Quebec channel? A. Yes. It cost some \$48,000, and they have added 15 per cent to that, but part of that money was expended in unwatering, not only there, but it was all part of the same thing.

Q. It was all necessitated by the flood? A. Yes, sir.

*By the Chairman:*

Q. When that part of the coffer dam was swept out was the remainder of the coffer dam made useless? A. No, sir. Has the whole of that piece that remained been incorporated in the new coffer dam? A. Yes, sir, it is in use at the present time.

Q. So that you did not need on that portion which remained, to do any extra work? A. No, sir.

Q. The whole extra cost on the Government has been in replacing the part that went out? A. Yes, and of course there were smaller dams below that were injured also.

Q. Smaller dams that had been built by Kirby & Stewart? A. Yes, sir, and they all came under the same head.

*By the Chairman:*

Q. What were the smaller dams made for? A. The dam site there is in a pocket and a creek comes down just below the work, and the water backs in.

Q. These were necessary to make the place dry? A. Oh, yes.

Q. And were made in connection of the unwatering? A. Yes, sir.

Q. Now, this one went away from the Quebec shores, can you explain why?  
A. I believe the bottom along the Quebec bank had more soft material in it than the bottom out in the middle of the spring. In the middle of the stream there were just bare boulders, and the bank would be boulders filled around with sandy material, so that the bottom at the Quebec bank would be softer than in the middle of the stream, and it would have more tendency to scour out in the bottom of the stream.

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Q. Could not the contractor have provided against that with proper care and attention? A. The top of the dam might have been decked and the water led past the back of the cribs so that any scouring action would not occur right under the cribs themselves.

Q. They might have discovered that afterwards, but I mean when it was actually done, did the contractor take proper care and attention to see that this work was properly done? A. They could not have done much. I do not believe they could have done very much, because they could not have improved the bottom; but if they had prepared the top, the scouring action might have been taken farther down below the cribs.

Q. When they began to work at the coffer dam, could they not find out when doing it that the bottom was soft? A. Yes.

*By the Chairman:*

Q. In other words, if a thoroughly skilful builder of coffer dams had been directing the work for the contractors, would he naturally have taken precautions such as you have described from observing the character of the dam on the Quebec shore, and which precautions were not taken in fact in this case? A. A scouring action like this is liable to happen at any coffer dam where the water goes over the top.

Q. That being so, I will come back to my question—an experienced and careful builder knowing it is likely to happen, would he in the regular course take some precaution such as you have described? A. Yes, and these precautions were thought of at the time, but it was not deemed advisable to spend any more money on the coffer dam because when the water went to the top of the coffer dam they would have to be blown out very shortly if the water was still rising.

Q. What would have to be blown out? A. The coffer dams.

Q. Who thought of these precautions and suggested them at the time? A. I believe I remember some of the contractors' men, either the Superintendent or Mr. Roger, discussing the matter, and also Mr. Coutlee and myself.

Q. Discussing it with you? A. Yes, sir.

Q. Who would have the right to say whether it should be done or not, when the discussion took place. Would that be a matter for the engineers to say, don't do it, or do it, or would that be in the discretion of the contractors themselves. Who would have the right to say, I will do that, or I won't do that? A. I believe the engineers would have the say, but things were not altogether clear on the work there, on account of the Department paying for the work and the contractors executing the work.

Q. That brings me right to this point—the contractors were to receive unit prices for doing the concrete work? A. Yes, sir.

Q. And they had a fixed sum in the contract for doing the coffer dam work? A. Yes, sir, in the original tender.

Q. In the contract? A. Yes, sir.

Q. And apparently, if the coffer dam went out, so far as the contract is concerned, they would themselves have to replace the coffer dam? A. Yes, sir.

Q. No matter how many times it went out, it would be their duty to replace it according to the terms of the contract, because it was a necessity to the concrete work they had to do later on, so that whether the coffer dam was sufficient or not, would seem to be entirely a matter for the contractors themselves, would it not? A. Yes, sir.

Q. For the simple reason that if an insufficient coffer dam was put there, they would be the losers? A. Yes, sir.

Q. How deep the coffer dam should go, how long it would be, what precaution should be taken, was a matter entirely for the contractors? A. Yes, sir.

Q. To put it broadly, it was no person's business how they built it, provided they got the concrete work done later on? A. Yes, sir.

Q. What the Department would be interested in, would be that they made due haste in building it, so that the work on the dam would not be delayed? A. Yes, sir.

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Q. From that position it seems as though the question as to whether the coffer dam was sufficient for a bottom of the kind that was there, would be a matter for the investigation and decision of the contractors alone? A. Yes, sir.

Q. And not the government engineer's business at all? A. No, sir, of course they would act on the engineer's suggestions.

Q. However, the engineers were really interested for the government as to the time that was going to be used? A. Yes, sir.

Q. If the engineer suggested not to do such a thing and by not doing it, the dam was swept away, the contractors would have no legal claim on the government for the cost of another dam? A. I do not think so.

Q. You do not see how it could be? A. No.

Q. In other words, the ultimate responsibility for what was done on the coffer dam was with the contractors and their superintendent? A. Yes, sir.

Q. Speaking as an engineer who was there and observing the work, and not in the light of what happened later on, but in the light of the information you had when the actual coffer-damming was going on, were the surrounding circumstances such that in your opinion a cautious and skilful builder of a coffer dam would have taken precautions which were not taken? A. Yes, sir, he would have made the dam heavier.

Q. You believe that reasons for making the dam heavier were visible at that time? A. Yes, sir.

Q. That was your opinion then? A. Yes, sir, talking over the scheme of decking the top of the dam to prevent scouring, it was also reasoned that after the water attained a certain level in the lake, if it went higher, damages would have to be paid to different towns along the lake due to flooding, and it was expected when the spring freshet came on the water was rising so rapidly, that the water would overtop the dam and the lake level would be at the extreme height, and it was thought to be cheaper to blow out the coffer dam and not spend any more money on it than to pay damages at these different points.

Q. You say it was thought that such a contingency might occur? A. Yes, sir.

Q. Who discussed that? A. Both the contractors and the engineers.

Q. You mean to say that if the water had risen to that height, and that flood had taken place, it might have happened that you would have had to blow it out? A. Yes, sir, and there were complaints at the time coming from people at the upper end of the lake that they were being damaged.

Q. But as a matter of fact, you did not blow it out? A. No, sir.

Q. It went away of its own accord, and you had nothing to do about that, and you don't know what you would have done.

*By Mr. Ducharme:*

Q. How long would it take to blow out 100 or 200 feet of coffer damming supposing the emergency should arise? A. Preparations were being made when the dam was being built, for placing dynamite in the cribs, and it might take two days to prepare and a couple of seconds to blow it out.

Q. You say preparations were made, but that it would take two days to blow it out? A. That was one scheme, but under another scheme it would only take twenty minutes to prepare and a couple of seconds to blow it out.

Q. In the spring of 1911, when this occurred, the Ontario channel was free? A. Yes.

Q. There was no coffer dam in the way, there was nothing but the dam itself? A. Yes.

Q. And all the sluices were open in the Ontario dam? A. Yes, sir.

Q. Was not the Ontario passageway proving itself sufficient to take out the extra water? A. No, sir.

Q. Had the Ontario side been cleared out to the full extent it was planned? A. No, sir.

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Q. The excavation which was intended had not been done? A. No, sir.

Q. You explained a little while ago that the two sides of the Ontario channel would be part of a scheme to widen them out as to make the stream much broader? A. Yes.

Q. Has that been done as yet? A. No, sir.

Q. This excavation that wants to be done and which had not been done, was not a part of the contract work? A. No, sir.

Q. That was part of the work the government undertook to do themselves? A. Yes, with the dredge.

Q. Was that going on to some extent in the summer of 1909 and 1910? A. Yes, sir.

Q. By the dredge *Queens*? A. Yes, sir.

Q. Had that work been pushed as rapidly as it might have been pushed? A. Yes, but the dredge was not suited for that kind of work.

Q. I don't mean if it was pushed by the dredge, what I mean is, in view of the great difficulty which did arise and the loss of the dam on the Quebec side, would that have been averted if all the dredging and widening contemplated on the Ontario side had been done? A. Yes, sir.

Q. In other words, when you get the excavation on the Ontario side completed, and when you get the widening which you design completed, the coffer dam on the Quebec side would be under nothing like the same strain? A. I do not believe the water in the lake would rise so high.

Q. And the capacity of the Ontario stream to carry away the water would be more than doubled? A. Yes, sir.

Q. In the summers of 1909 and 1910, the conditions were such that with proper progress of the work, the Ontario channel could have been made to carry off a very great deal more water than it was capable of carrying off in fact? A. If the machinery could be erected in that time.

Q. You have had in view that the Quebec stream had to be coffer dammed and unwatered and a dam put up there—looking back now in the light of your experience, could not the Government part of the work have been done before this catastrophe in 1911 so thoroughly and completely, that the catastrophe might not have happened at all? A. That is provided a new dredge could be built on the lake in that time.

Q. Provided the machinery for doing the work had been on the lake, the widening and deepening would have averted trouble on the Quebec side? A. Yes, sir.

Q. You say that in order to have that machinery it would be necessary to have a dredge built there and transported in some way? A. Yes, sir.

Q. Was any attempt made at all to get such a dredge? A. I believe there was some talk of it but nothing done.

Q. There is no dredge there? A. No, sir.

Q. And you don't know how long it would have taken to arrange and get such a dredge ready? A. No, sir.

Q. You could have blown out a sufficient part of the coffer dam in twenty minutes if the necessity arose? A. Yes, sir.

*By Mr. Lake:*

Q. You said in your testimony that when the freshet took away part of the dam, they were just changing the work from coffer-damming to permanent work? A. Yes, sir.

Q. What do you mean by that? A. Up to that time, the men had all been engaged in building coffer dams and making them tight, and then when the bed was made dry, excavation was immediately started to prepare the dam for the permanent work, and so in that way the contractors took most of their men from the unwatering proposition and started them on the work which was to be permanent. The unwatering is a temporary work.

Q. I was asking you how the coffer dam was made. Is there any crib work placed on the shore at each end? A. Yes, there is cribwork built up the shore to continue the dam right up to the level that we expect to hold the water. We started to build the coffer dam when the water was fairly low and then we got the dam in. The water raised a little and it put these cribs on the shore under water, that is, there is a pressure on those cribs.

Q. Yes, so that is where you start, by the cribwork at the end? A. Yes.

Q. And at the same time it is to prevent the water from getting on the land, you know what I mean. The water would raise and go around? A. Yes.

Q. So you say this is made in such a way that it will resist the pressure of the water? A. Yes.

Q. This part of the dam that went away from the shore—wasn't it on account of that cribwork not having been properly laid? A. No, it was on account of the water scouring out the bottom under the crib. That is what we believe, of course we do not know.

Q. Now, when you arrived there on November 19, 1909—

The WITNESS.—October.

Q. October, 1909, did you see much timber there? A. No, there was a good deal of standing timber on the island.

Q. What do you call standing timber, trees? A. Yes.

Q. I do not mean that, I mean wood that has been carted there for the contractors? A. No, sir, there was none.

Q. Was there any cribwork? A. No, there was no cribwork required at that time.

Q. There was none? A. There was no timber there.

Q. No timber of any kind? A. No.

*By Mr. Lake:*

Q. Was there a coffer dam built in the fall of 1909? A. There was no coffer dam required; at that time that channel was dry.

*By the Chairman:*

Q. In answer to Mr. Ducharme you say at the time you arrived in the fall of 1909, there was no timber for the contractors? A. No, sir.

Q. And they had not previously used any timber in the work? A. No, sir.

*By Mr. Ducharme:*

Q. Here is what Messrs. Kirby & Stewart say in their letter—

The CHAIRMAN.—The letter of December 29, 1910, is the letter he is referring to.

Mr. DUCHARME.—He says that he needs to make preparation to obtain the necessary plant and outfit and supply all the timber required for the construction of the dam on the 14th November.

The CHAIRMAN.—1908.

Mr. DUCHARME.—And he says on the 12th day of December: "We had gone on preparing that timber and plant to the extent of over \$20,000."

The CHAIRMAN.—20th December, 1908.

*By Mr. Ducharme:*

Q. From what you know was there any such thing there as plant or timber to the amount of \$20,000 on the place? A. I would not say.

Q. Was there anything? A. There was timber that they had used in May—

The CHAIRMAN. You are asked if there was any on the place and you have answered there was not when you went there in the fall of 1909.



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*By Mr. Ducharme:*

Q. In the month of October, 1909, there was no such thing? A. No, sir.

Q. There was no plant or timber? A. There was plant for other work.

Q. What kind of plant had they? A. They had a cable way set up and two large derricks with hoists.

Q. Steam derricks? A. Yes, steam derricks, and several small boilers and one large boiler.

*By the Chairman:*

Q. What kind of plant was afterwards brought in and used by them in the work? You say it was not there when you went on in October, 1909. A. We brought in a steam shovel, that was the principal item.

Q. For excavating? A. Yes, sir, and concrete mixers.

*By Mr. Ducharme:*

Q. There were no concrete mixers when you got there? A. There might have been an old one, but it was not set up.

Q. And there were not sufficient mixers there? A. No, but of course there was considerable excavation to be done before they could use these mixers.

Q. But that steam shovel would be necessary for that excavation? A. Yes, the steam shovel might have been there the first thing.

Q. I mean on the Ontario channel, the work of excavation could have been almost continuous during the summer of 1909, could it not? A. Yes, well—

Q. In some part or other of the channel? A. Late in the summer. Of course 1909 was an extremely dry year in the history of the water.

Q. When did that steam shovel come in? A. The latter part of November or the 1st of December, thereabouts.

Q. There would have been time for three months excavation before that, would there not, November, October and September. They might have been excavating all those months? A. October at least, October, November and December.

Q. You said in your testimony that blasting about 1,500 feet above the coffer dam would have to be made? A. That was quarry work.

Q. But the distances seems to be very long.

The CHAIRMAN.—He meant that they would have to go that distance to get the centre they would require to put in the coffer dam.

WITNESS.—We are talking about the present work there.

*By Mr. Ducharme:*

Q. Can you give the full name of Mr. Rogers?

The CHAIRMAN.—Mr. Coutlee will give us that when he comes in.

WITNESS. No, he is a contractor I think.

*By Mr. Ducharme:*

Q. The cribwork done at the coffer dam in the Ontario channel was all made in round timber? A. Yes, sir.

Q. There was no sawed wood near the cross-section? A. It was all round timber.

Q. As it comes from the wood? A. Yes, sawn in proper lengths.

Q. And was the work on the Quebec side of the coffer dam done the same way? A. Yes, that was round timber too.

Q. There was no sawed wood until you got your own sawmill? A. No, sir.

Q. Were you ever approached while you were there working as to reports or as to whether the work could be done or in anything in relation to the contract? Were you approached in any way by the contractors or by any employees of the Government? A. Suggestions you mean?

Q. Or suggestions, yes? A. Well, of course when I was in charge I talked the work over a good many times with the contractors' superintendent there.

Q. I mean, were you never approached in a way\*to induce you not to do your duty? A. Oh no, sir.

Q. You were never approached in that line? A. No, sir.

Q. Nobody spoke to you about that? A. No, sir.

Q. And nobody spoke to you about the testimony you were to give here? A. No, sir.

Q. Whenever Mr. Coutlee would write the Deputy Minister or the Assistant Deputy Minister, would he consult you? A. No, he did at times if I was in Ottawa, and he happened to be writing.

Q. Writing to Ottawa? A. Yes, sir.

Q. Were there any soundings made there while you were there? A. What do you mean, sir.

Q. Soundings of the foundation or bottom of the river? A. No, all the test pits and bore holes were made before I got there.

Q. The price asked for the coffer damming and unwatering was to be \$4,000? A. Yes, sir.

Q. That is for the whole work? A. Yes, sir.

Q. Would you consider that a ridiculous price? A. Pardon?

Q. Would you consider that a ridiculous price? A. Yes, sir.

Q. You would? A. Yes, sir.

*By the Chairman:*

Q. It could never have been done for that amount? A. No, sir, not in my opinion.

Q. Is there any doubt at all about it? It was to have a coffer dam all the way for the wooden dam that that sum was put down in the first place. Is \$4,000 a reasonable amount to suggest for such work? A. Not at all.

Q. One of the tenders went as high as \$54,984, wasn't it? A. The highest, Lumsden, put in \$54,994 for the coffer dam that was needed in front of the wooden dam. From your knowledge of the lake and surrounding country, do you think that amount would have been a fair estimate for coffer damming? A. No, I think it would cost more than that.

Q. More than \$54,000? A. Yes, sir.

Q. Well, from that answer it follows that the \$4,000 was in the words of Mr. Ducharme a ridiculous amount? A. Yes, sir.

*By Mr. Ducharme:*

Q. You are a civil engineer, are you not? A. Yes, sir.

Q. As a civil engineer, if you had seen that price wouldn't it have struck you as ridiculous? A. Yes, sir, it always did.

*By Mr. Lake:*

Q. Is there anything else you would like to say to the Commissioners by way of giving us a clearer understanding of any part of the evidence you have given or in regard to the work generally?

The CHAIRMAN.—Any statement you would like to make about the matter.

The WITNESS. The only thing is, I consider the contractors were very unfortunate in securing very poor men to look after their work there, and the only good man that they got died on the work.

*By the Chairman:*

Q. He was— A. McNair.

## SESSIONAL PAPER No. 57

*By Mr. Lake:*

Q. Is there anything else you would like to say, any other point you would like to mention? A. I would think that when the contractors were in difficulty with the Quebec channel coffer dams—

*By the Chairman:*

Q. In May, 1911, do you mean when it went out? A. Yes, or even before that, in October, 1910, when the water came up in the lake it was very high water for the fall of the year. The contractors had to discontinue work on the Quebec coffer dam and I believe that they were ready to throw up the job at that time if they had not been able to make some arrangement to get additional money for unwatering that channel, and if the work had been taken away from them and re-advertised for tenders, it would have cost a great deal more.

Q. It would have cost a great deal more—what would have cost a great deal more? A. The coffer dam and the remainder of the work.

Q. Would have cost a great deal less, you mean? A. No, a great deal more. And a new firm coming in there would have put a bigger price on that work than a cost of fifteen per cent.

Q. You mean to say, for that part which they had built and which remained? A. Also the part that went out.

Q. A sufficient comment on that is that if a new firm had come in and built that coffer dam, it would have been built in such a way that it would not have gone out, and you would not have had to build a great deal over again. You are speculating, because you told me just some time ago that if thoroughly competent builders of coffer dams had been at work they might have taken precautions that were not taken in this particular case? A. Yes, but I also said that the contractors had some reason for not spending more money on the dam at that time.

Q. But if more money had been spent on the dam, it would have been a better dam? A. Yes, but we have no assurance that it would not have gone out.

Q. What you intended to say was this, I suppose, that if new men had come in at the end of 1910 and undertaken to build the same kind of coffer dam across there, they would naturally have charged more for it than these men would charge for it having their plant on the ground? A. Yes.

Q. Of course that is obvious. You cannot tell what other results might have followed from new men coming in to begin work. Let me ask you this one thing, after coming on the work you made yourself familiar with all the testings that had taken place before that time by the Department to show the character of the location and so forth, didn't you? A. Yes, sir.

Q. Do you know that test pits had been sunk and soundings had been made, and so on? A. Yes, sir. For a time after I was on the work I had charge of the dredge work, and I was not active in the main office, although I am quite familiar with all the plant.

Q. You mean to say now you know what had taken place prior to your coming there? A. Yes, sir.

Q. Do you think sufficient precaution such as a high class hydraulic engineer, would take, was taken to ascertain in advance the nature of the Quebec side? A. There were some points in the work where it seemed they did not realize just what they were up against there.

Q. Who didn't? A. The contractors.

Q. But I was really asking whether you thought that the engineers' staff had taken sufficient precaution to ascertain the nature of the bottom on the Quebec side, and so advised the contractors? A. Yes, sir. The test pits that were shown on all the plans showed the nature of the soil on that side, but the contractors did not make any borings.

Q. Well, did they, as a matter of fact, have access to the borings made by the Department? A. Yes, sir.

Q. Well, then, did the result later on show that those borings had been correct in revealing the character of the bottom? A. Yes, sir.

Q. Then with those borings revealing the character of the bottom, was the coffer dam work done as it should have been done with that knowledge, so as to secure the bottom of the coffer dam from the scouring which took place? A. No, the coffer dam was not made heavy enough.

Q. Was not made heavy enough in the light of the information which they had before them at that time? A. Yes, sir.

*By Mr. Ducharme:*

Q. Do you recollect the state of the work about the 7th November, 1910? A. The Ontario channel.

Q. Yes. Do you remember the state of the work at that date? A. No, I do not remember just at that date.

Q. Or about November, 1910. Don't you remember what was the state in a general way? A. Things were pretty much at a standstill.

Q. Here is the reason I put the question. There was a letter sent to Messrs. Kirby & Stewart on the 7th November, 1910, telling them that their time for the finishing of the contract was extended to 31st December, 1910, giving them about seven or eight weeks. Now, was there any possibility of finishing the contract at the specified time, 31st December, 1910? A. No, sir.

Q. The Engineer writing this would know it was an impossibility? A. Yes, sir.

Q. Now, when you arrived there in October, 1909, at the present location of the dam, was there any water? A. On the Ontario side?

Q. Or was it dry in the Ontario channel? A. It was practically dry. There was a little water coming through the boulder seepage water it is called.

Q. From your knowledge now of the place do you think it might have been that way for quite a few months? A. Yes, it would have been that way until the following April.

The CHAIRMAN.—He told us before that the work could have been commenced there in August.

*By Mr. Ducharme:*

Q. It could remain that way until April? A. Yes, sir.

Q. Do you think the previous year it would have been about the same? A. No, I could not say.

Q. Well, when you had high water, how much water would there be at this place? A. About nine feet.

Q. That is at high water? A. At high mark.

Q. That is when the water became very high? A. Yes, sir.

The CHAIRMAN.—That is all we have to ask you in the meantime. I and my fellow commissioners have been very much pleased indeed with the character of the evidence you have given, and we will be pleased to say so in the proper quarter. You will get that other information that we asked for.

Witness retired.

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TUESDAY, January 23, 1912.

CHARLES R. COUTLEE, called, sworn and examined.

*By the Chairman:*

Q. Where is your residence, Mr. Coutlee? A. In Ottawa, sir.

Q. Spent some years here? A. Some years, since 1905 or 1904, I think—1905.

Q. You are a civil engineer, by profession? A. Yes, sir.

Q. When did you first enter the employment of the Government? A. In 1889 first, I was employed with them from 1889 to 1900, and then I came back again in October, 1904, to the present time.

Q. Now, immediately prior to your connection with the Lake Timiskaming dam, you were connected with the Georgian Bay canal project, were you not? A. Yes, sir, I was one who was in charge of it.

Q. The Georgian Bay Canal project would use the Ottawa stream up as far as Mattawa? A. Yes, sir.

Q. From which the canal would go off towards North Bay? A. Yes, sir.

Q. In the flood season, in the spring of the year, the waters above Mattawa would gorge the Ottawa below Mattawa? A. Yes, sir.

Q. And make currents too rapid, I suppose? A. Yes, sir.

Q. For the convenience of navigation, by damming at the Long Sault and Timiskaming, those waters could be held back and allowed to come gradually at a later portion of the year. When the lower Ottawa would be partly run off, the water in the Ottawa would be run away to some extent? A. Yes, sir.

Q. And thus the gorging of the Ottawa below Mattawa would be avoided to some extent? A. Yes, sir.

Q. The scheme for putting a dam at Timiskaming originally arose in connection with storing water in the dry season for the use of the mills on the Ottawa? A. I believe so, yes, sir.

Q. And for that purpose the lower dam, or what was designed to be the lower dam, was eventually built? A. Yes, sir.

Q. After it was decided to change from wood to concrete as material for the dam, it was also decided to make the dam higher and hold back more water? A. I took charge of this after that decision had been made, and we then designed a dam between March, 1909, and July of that year. The design was worked up by Mr. Matheson and myself.

Q. That is exactly what I want. You took charge of the dam work on March 19, 1909, I find? A. Yes, March, 1909.

Q. Well, prior to that, there had been some surveys of the Ottawa a couple of years before that, and in the fall of 1908 there had been some tenders for a wooden dam that was intended to be put at the head of the Long Sault Rapids, and they were all in connection with the storage of water for the mill and other purposes? A. For water-power purposes, yes, sir.

Q. Now, when you came in from your previous connection with the Georgian Bay project, it immediately occurred to you, I presume, that by building the dam higher and making it a more permanent structure, value could be given to the Georgian Bay project? A. It was hardly that, sir. The Georgian Bay project was very far away, but it was more economical to make these dams larger, that is, to make the storage depth greater in the three lakes. The three lakes are included in that storage scheme, the original scheme.

Q. You use the word "economical" in the sense of strong water and power? A. Yes.

Q. You don't mean more economical to build the dam? A. In a dam it would be.

Q. I was speaking more of the increasing the height of that. You would not say it would be more economical to build the dam of concrete, but to increase the height you had economical considerations in view, the conservation of water? A. Yes, sir.

Q. And that conservation of water, giving a greater flow later on in the year than the low dam would have given, would at the same time serve a valuable purpose in the Georgian Bay project? A. Yes.

*By Mr. Lake:*

Q. Was it also considered to be of value to the people who were living on and using the three lakes you speak of? A. The population is very sparse there. The great value of it is in conserving for power purposes.

*By the Chairman:*

Q. Below? A. Below, yes.

Q. Now, you were made engineer in charge in March, 1909? A. Yes, sir.

Q. And you had as assistant Mr. Matheson? A. Yes, sir.

Q. Who afterwards went out to British Columbia to work? A. Yes, sir.

Q. Was he engineer on the work? A. Yes, sir, he was resident engineer at Timiskaming.

Q. After actual work began, I suppose? A. Yes.

Q. He was succeeded by Mr. Donnelly? A. Yes, sir.

Q. Was Mr. Donnelly's work practically the same as Mr. Matheson was doing? A. Of course Mr. Matheson has had greater experience than Mr. Donnelly. We worked together more, but so far as the work at the actual place is concerned, Mr. Donnelly was doing the same.

Q. You say in March, 1909, when you went to work, that none of the plans which were afterwards worked upon had commenced? A. No, sir.

Q. What would be the first thing you had to do in making plans? A. Well, Mr. Matheson and myself considered the whole scheme of storage, including the other lakes, and we then went into a study of the hydraulics of the river as far as possible at that time.

Q. Meaning by the word "hydraulics" what? A. The conditions of flow and the regimen of the river.

Q. The depth and the height to which water might go in different seasons? A. And the quantity that would be possible.

Q. Yes, you considered that. Well, after these considerations, what was the first practical step you took? A. The first practical step we took was to make some test pits for the foundations.

Q. When were they made? A. They were begun in March, I think, sir, and carried on till April. I think the work was closed up in April.

Q. Nothing that had been previously done would be of any value in those tests? A. Except the survey work.

Q. But I was speaking more particularly of the test pits? A. No, I do not think there were any test pits made.

Q. As a matter of fact, the site which you eventually chose, and where, I presume, you made those tests, was a different one intended for the wooden dam? A. Yes.

Q. By the way, did you change the location after making your test pits, or did you first decide where you would locate the dam and then make test pits? A. We made test pits first, examined the bottom.

Q. And did you at that time examine the bottom where the Quebec dam was ultimately started? A. We had a test pit on each side of the Quebec channel. It was impossible to make a test pit in mid-channel on the Quebec side.

Q. Impossible because of the season of the year? A. No, it was a running rapid.

Q. So that even at low water you could not make it there? A. No, sir, it was low water then, as a matter of fact.

Q. Then you had to reason from what tests you made what you might expect to find where you made no tests? A. Yes.

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Q. But you did nothing at all to ascertain the nature of the bottom of the centre of that Quebec channel? A. No, sir, not in the centre of the Quebec channel.

Q. That was not possible? A. It was not practicable.

Q. Just anticipating a little bit, the coffer dam which was built on that side broke away in the spring of May, 1911? A. Yes, sir.

Q. At the place where that coffer dam broke away, on the shore side, had you made any test pits at any time? A. I think the test pit was fairly close to the end.

Q. Near the side of the dam? A. Yes, about 100 feet below.

Q. Did your test pits at that place reveal a bottom which your later experience of the coffer dam shows you to have been there? A. No, sir, the bottom is a boulder mess filled in with light soil, and when a boulder is disturbed the light soil is easily moved by the current.

Q. Well, was that true of the place where you began the test pit as well as where the coffer dam was to be; on that side was there any difference in the bottom? A. No, sir, I think that would be true of where the test pit was put down, though perhaps we did not realize it at that time that the soil was of that nature.

Q. Well, now, after finishing your test pits the next best thing was to get back and have the plans prepared, I suppose? A. Yes, sir.

Q. And you came to a conclusion on that? A. Yes, we were at Ottawa and

Q. And you came to a conclusion on that? A. Yes, we were at Ottawa and went up to Timiskaming to make the different investigations.

Q. Testings? A. Yes, sir.

Q. And then you came back? A. Yes, sir.

*By Mr. Lake:*

Q. You came back from where? A. I think we decided on the site of the ground.

Q. I suppose we may assume that you decided on the site on the Ontario side because it was driest at that place in the low season, or will you tell us exactly why you chose that site on the Ontario side? A. Those test pits are shown here (referring to map).

The CHAIRMAN.—The test pits are shown on the linen plan showing the general site.

*By the Chairman:*

Q. Bore hold No. 1? A. Was in the middle of the Ontario channel.

Q. About how many feet? A. About 150 feet above the present dam. It was some 42 feet looking to the rock.

Q. The plan for the wooden dam was to have it built at the north end of the island? A. Yes, sir.

Q. What led you to put the Ontario end of your concrete dam lower down the stream? A. We found it necessary to increase the cross-section of discharge.

Q. At the site chosen for the wooden dam, then you had not put in a dam, or there would be some water? A. Yes, sir.

Q. And consequently in order to build a dam there it would be necessary to coffer dam, wouldn't it? A. I do not think so. I think it could have been built without coffer damming I think without at least expensive coffer damming.

Q. The cribs might have been floated out and dropped into place without coffer damming. If it had been necessary for any part of that old site to be coffer dammed what portion would be coffer dammed, that is, if it had been necessary to coffer dam any of the work at the old site? If any coffer dam had been needed it would have been on the Quebec side? A. Yes, sir.

Q. Now suppose you had started to build a concrete dam at the site intended for the wooden dam, is it still true that coffer damming would not have been necessary? A. Oh, no, it would not have been necessary for a concrete dam at the old site.

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Q. As that old site showed a dam running across both streams in a straight line, if built of concrete, coffer damming would have been necessary almost the whole way? A. It could have been made in two sections.

Q. The middle section on the island? A. Would have been high and dry you see.

Q. At low water? A. Yes.

Q. The middle section of the old site was dry at low water? A. Yes, sir.

Q. And no coffer damming you think would have been necessary there? A. No, sir.

Q. Will you tell me, looking at this paper plan which shows the old, the originally proposed wooden dam, if the dam had been made of concrete how many feet of coffer damming would have been necessary? A. About 800 feet, sir.

Q. How much coffer damming was necessary at the site on which the dam on the Ontario side was built, and the dam on the Quebec side would have to be built. Take the Ontario side, how much coffer damming was necessary on the Ontario side?

A. On the Ontario side we must have had about 100 feet.

Q. And how much coffer damming was done on the Quebec side? A. About 400 feet.

Q. So we have this, if the dam had been constructed on the old site, there would have been 800 feet of coffer damming, and on the new site 500 feet? A. Yes, sir.

Q. There being deeper water at the site of the wooden dam, the site chosen for the wooden dam, than at the site where the concrete dam was actually put on the Ontario side, the coffer damming for the concrete dam at the old site, as I will call it, would have been higher than was actually necessary at the new site? A. Yes, sir.

Q. And on the Quebec side would that be actually true? A. It would be a little more, about the same.

Q. About the same, because you did not go very far down stream for a site for your concrete dam on the Quebec side? A. No, sir.

Q. You kept nearer the original site? A. Precisely.

Q. Then as to the difficulties of coffer damming at one site or the other—for a concrete dam I mean—would they vary much? A. Not very much, sir.

Q. For instance, on the Quebec side, the site not being changed very much, the current would have been about as rapid at the old site as at the new site? A. Pretty nearly.

Q. And the depth about the same. A. Yes, sir.

Q. While on the Ontario side the current certainly would not be greater because it was dry at time the concrete damming was done? A. Yes, sir.

Q. While on the other hand, at the old site, the coffer damming would have been done in water all the time? A. Yes, sir.

Q. Now, what I am getting at is this, you will recall that in the original tenders, the amount put in for coffer damming by Kirby & Stewart was \$4,000, and in the case of the highest tender, Mr. Lumsden, it was \$54,994? A. I do not remember the figures.

Q. Well, that was the amount. Now for coffer damming for a wooden dam, if your view is right as to the way in which the wooden dam might have been built, the amount it would cost would have been uncertain? A. That is for the wooden dam?

Q. Yes? A. Yes.

Q. Depending on the view which parties might take as to the best way to build a wooden dam? A. Yes, sir.

Q. Some persons might have begun by building a wooden dam, coffer damming right across? A. Yes, sir, some might have taken that view.

Q. Especially taking such a high sum as Mr. Lumsden has quoted, that must have been in contemplation. As a matter of fact, when I am speaking about coffer damming, the word used is 'unwatering' in the tenders? A. It is easy to build a coffer dam, but it is a tremendous job to get it under water.



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Q. In the tender where the word "unwatering" is used it includes coffer damming? A. Yes.

Q. Then the sum of \$4,000 for unwatering quoted by Kirby & Stewart for the wooden dam might have been sufficient under certain contingencies? A. Yes, sir, it might have been.

Q. Would you regard it in many cases as a very low estimate? A. Yes, sir, I would regard it as very low.

Q. Probably indiscreetly low, having regard to contingencies even for a wooden dam? A. Yes, sir, in view of what we know to-day it is certainly very low.

*By Mr. Lake:*

Q. Did you know when you first went out with the view of looking for the place what the tenders for unwatering were? A. I don't think I did, sir.

*By the Chairman:*

Q. But later on, when Kirby & Stewart were told that the dam was to be built of concrete, they were not told at that time that a change of location would be made, that was in the winter of 1909? A. I do not think so.

Q. I am telling you the fact that is shown by the facts. During the winter of 1909, Kirby & Stewart were told that the Government had decided to change to concrete, and the engineer was asked to give the Department a statement of the quantities of concrete which would be required if they changed that wooden dam into a concrete dam. He supplied the quantities, and Kirby & Stewart were notified that they would be given a contract for a concrete dam. They were told at the same time that the sum of \$4,000 for unwatering would not be changed but would be kept in. Now this is the question I want to put, would \$4,000 be at all adequate for the coffer damming of a concrete dam at the site of the wooden dam? A. No, sir.

Q. It would not be within reasonable limits, would it? A. No, sir.

Q. Not at all adequate in any way whatever for such work? A. No, sir.

Q. Now then, we find the contractors went upon the work with some material about May, 1909? A. Yes, sir.

Q. You are aware of that personally? A. Yes, sir.

Q. After testing for your plan, and so forth, when did you return to the site? A. Oh, I was there several times.

Q. In the spring of 1909? A. Yes, sir. In connection with that there is a matter, some material was ordered, I believe before we went there.

Q. By the contractors, you mean? A. Yes, sir.

Q. When was any work actually commenced there? A. In May, 1909.

Q. The contract itself was not signed until 22nd July, 1909? A. No, sir, not until 22nd July.

Q. I find it was only ten days before that that the Chief Engineer reported that the plans and specifications were ready? A. I think so, yes, just about that time.

Q. Now, in the preparation of these plans and specifications, did you take part? Were they made by you? A. Yes, sir, I made what I may call the additional specification.

Q. Why do you call that an additional specification? A. Because there was nothing mentioned in the original specification.

Q. For the concrete dam? A. For the concrete. There was no detail of concrete work.

Q. What do you mean by the original specification? A. That is for the wooden dam.

Q. Well, wouldn't you make complete specifications for the concrete dam without regard at all to the old wooden dam specifications? A. Oh, yes, I did.

Q. Then when you speak of an additional specification, you simply mean the only specification you made for the concrete dam? A. Yes, I attached it to the old one.

Q. Before you could make specifications, the plans had to be completed, I suppose? A. Yes, sir, in fact they were done together.

Q. A specification had been prepared prior to the tenders which were made for a wooden dam? A. Yes, sir.

Q. When the preparations were being made to give the contract for the concrete dam, it became necessary to add to these specifications? A. Yes, sir.

Q. And that addition you call an amended specification? A. Yes, sir.

Q. And that was prepared by you? A. Yes, sir, with Mr. Matheson.

Q. To the contract which was actually signed in July, 1909 there was attached the old specification intended for the wooden dam, and the amended specification which you made for the concrete dam? A. Yes, sir.

Q. And the prices quoted in the tender of Kirby & Stewart for the wooden dam are made part of the specification? A. Yes, sir, I think there is a clause in there.

Q. Now, in that list of prices, item 24, is "concrete 1, 3 and 5 in foundation, \$8.50 per cubic yard." What concrete was necessary for the wooden dam originally designed? A. I don't think there was any.

Q. I find no mention of concrete in the original specification? A. No, sir.

Q. Can you conceive what was meant by that phrase, 'Concrete 1, 3 and 5 in foundation'? A. That meant the proportions, one cement, 3 sand, 5 broken stone.

Q. It means the mixture of concrete? A. Yes, sir.

Q. Where might a quantity of concrete have been necessary in that wooden dam? Where can you suggest it might have been used? A. It might have been used in capping the cribs.

Q. That means used in the top? A. Above low water wood exposed to the air and water rots very quickly, so sometimes that is replaced by concrete from low water mark up.

Q. You are speaking of the cribwork in the foundation? A. Yes, sir.

Q. Which might be dry at certain seasons of the year? A. Yes, sir.

Q. Could you tell in any manner whether such work had been contemplated? A. The wooden dam plans don't show it.

Q. And the specification does not show it. Is there anything else from which it could be gathered? A. It does not mention it.

Q. If concrete cribbing had been intended for the wooden dam, should the plan show it? A. Yes, sir.

Q. You regard that as proper practice in drawing such plans that they should show so much concrete on top? A. Yes, sir.

Q. The reason I ask the question is this, that I find the judge of the tenders for the wooden dam had to make a price for concrete, because in the printed form of unit prices at the end of the form of tender supplied by the Department, there is clause 22 'Concrete 1, 3 and 5 in the foundation.' I notice that in Lumsden's tender he gives a quantity of 1,000 yards, and Rainboth gives 200 yards, and Conroy does not give any quantity? A. I always give the tenderers the proposed quantities in the work. Now, these fellows must have made up these quantities themselves.

The CHAIRMAN.—I notice that Kirby & Stewart place no quantity opposite the concrete.

Mr. LA?E.—They only give the price per yard.

*By the Chairman:*

Q. Now you notice in two of the tenders for the wooden dam it is assumed that some concrete might be necessary. A civil engineer like Mr. Rainboth only puts in 200 yards, and Lumsden puts in 1,000, while neither of these quantities would be sufficient for the capping of the cribwork, would it, if it was to be done? A. I do not think so, sir.

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The CHAIRMAN.—Witness is asked to inquire in the Department and ascertain if he can what was meant by putting concrete in that way in the specification, what concrete was designed or even thought of for the wooden dam, and what, if any, information was given by the Department to the tenderers as to the quantity which would be needed or the place where it would be needed, or anything about it for that matter.

*By the Chairman:*

Q. In the amended specification which you prepared for a concrete dam, you found it necessary to add a lot of definitions of concrete? A. Yes, sir.

Q. And in the original tender the price, Item 20, referred to common excavation, 21 to rock excavation, and 22 to boulder excavation without giving any definition? A. Yes, sir.

Q. And in the amended tender you found it necessary to give definitions? A. Yes, sir.

Q. Describing what was meant by that class of excavation? A. Yes, sir. You understand that most of the lawsuits are over the classification of material.

Q. Most of the lawsuits are over the classification of material, and therefore it is a good practice to be very careful and accurate? A. Yes, sir.

Q. Now, having got your plan ready and having made your specifications and the contract July, 1909, being entered into, or about to be entered into, do you remember whether any calculation of quantities of concrete were made up so as to ascertain what the work would cost? A. Yes, sir, we must have made them up, I cannot recall it just now.

Q. You think they must have been made up, but you do not recall it just now. We find many months later a statement in the Minute of Council that the amended quantities and the ancient prices harnessed together would amount to \$176,000 and some odd, so there must have been at some time a making up of the quantities? A. Oh, yes, I have no doubt about it. I had submitted the quantities, but I don't see one in my book.

Q. You do not find any statement of quantities in your letter book, the book which you hold there is your letter book, in connection with this Timiskaming work? A. Yes, from March, 1909, to August, 1911.

Q. Why does it stop at the latter date? Does it go on in another book? A. Yes, another book.

Q. But those dates would cover all you had to do with the contract, I presume? A. I think so.

The CHAIRMAN.—The witness deposits a letter book from March, 1909, to August, 31, 1911, dealing with the Timiskaming matter, and will produce another letter book. Witness also supplies a list of the letters in the letter book.

*By the Chairman:*

Q. Going back to the question of the amended specification which you put in, I find that you provided there very definitely concerning coffer dams. A. Yes, sir.

Q. And you used the following language: "(5) Coffers—The bed of the river and shores at the proposed dam show great quantities of loose rock and boulders. The east channel is deep and swift, even at low water stages, but the west channel is then dry. At high stages, however, the channels on both sides of the island are formidable streams. Attention is called to the possible difficulty of keeping the foundation pits unwatered, in order that the foundation concrete will be securely joined into the surrounding material in such a manner as to prevent any leakage. The contractor may adopt any form of coffer dam, he being wholly responsible, and all damage from freshets or from any other cause shall be at his cost and expense. The contractor shall bear the cost of constructing all necessary dams, compartments,

pipes, drains, etc., and their maintenance for the full time required and their entire removal when directed. The contractor shall also bear the cost of providing and satisfactorily operating all pumps required to keep the water entirely out of the pits and this shall be done without injury to the concrete. The price for unwatering will be held to cover all plant, labour, material, failures, accidents or damage that may happen at any stage of the work from storms, scouring, settlement, ice, flood, fire or other cause."

*By the Chairman:*

Q. Well, now, the actual work of coffer damming was commenced when, on the Ontario side, I mean? A. During the winter of 1910, I think that was the first work they did.

Q. What was the first work that the contractors did upon any part? A. The first work done by the contractors was excavation for the west abutment of the Ontario sluices on the Ontario side.

Q. That was done when? A. During May, it began in May and continued during the season.

Q. Did they do any excavation in the river bed itself on the Ontario side during that summer? A. Yes, sir, this excavation for the abutments was extended on towards the island.

Q. Would that excavation go deep enough for the concrete work at that time, were they doing it deep enough, or had it to be gone over again? A. I think that was taken down enough practically to concrete.

Q. Tell me this, would not there be interference by water when they commenced it, and during the early part of the summer? A. No, sir, in the part they were working at, the excavation was hand excavation.

Q. Was that pushed with all the speed and expedition that might have been possible? A. No, sir, it went very slowly.

Q. What was the cause of the delay? A. The need of proper excavation machinery.

Q. And what about men? A. The force was small.

Q. Did you protest against it? A. Yes, sir.

Q. In writing, or verbally? A. Both ways, I think, sir.

Q. And through the summer of 1909 you protested? A. Yes, sir, the summer was practically lost.

Q. Quite frequently I notice in a later letter of September 8, 1909, the Assistant Deputy Minister informed the contractors: "You are not making good progress on your contract. Employ large forces to complete work as soon as possible." That statement is true, I presume? A. Oh, yes.

Q. You were not making good progress? A. No.

Q. And you were reporting that from time to time to the Assistant Deputy Minister, I presume? A. Yes, sir.

Q. Well, what excuse, if any, were given, what reasons? Perhaps I will put it this way, was there any good reason, as far as you know why the work should not have been pushed on? A. No, sir, there was no good reason.

Q. Had the delay serious consequences later on on the whole work? A. Yes, sir.

Q. If the work had been done early very little coffer damming would have been required on the Ontario side? A. Yes, sir.

Q. That coffer damming would have been low? A. Yes, the height would not have been at all great.

Q. And you say in October, 1909, they got steam shovels? A. Yes, sir.

Q. Then, from that until the next spring, the work went much more rapidly? A. Much more briskly.

Q. The superintendents up till October were not efficient? A. No, sir, there was only one who was not efficient.

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Q. If early in 1909 a number of men who could have worked a steam shovel had been provided, the dam across the Ontario channel could have been completed in a short time, the Ontario dam could have been completed, the channel excavated, and later on the great pressure on the Quebec side relieved? A. Yes, sir.

Q. As a matter of fact if proper excavation and widening on the Ontario side had been done in time, a very great quantity of water could have gone off through that channel? A. Yes, sir.

Q. The contract of Kirby & Stewart contemplated the excavation of a channel on the Ontario side? A. Yes, sir.

Q. To be done by them? A. Yes, sir.

Q. And that was not done in 1909? A. No, sir.

Q. Was it done by the contractors at all later on? A. The lower part was done by the contractors during the latter part of 1910.

Q. And the upper part of it? A. The upper part of that channel was excavated by the Departmental dredge *Queen*.

Q. When? A. During 1910.

Q. Well, now, why didn't the contractors at some time or other do the upper part of the channel as they had agreed to do? A. A special arrangement was made to do that upper part by the dredge in order to force forward the work.

Q. In other words it was taken off their hands because they had not gone ahead with it rapidly enough. Put it this way, you found they had not done it, and you desired to have it done, and the agreement was made with the *Queen* to do it? A. Yes, sir.

Q. You say that if the contractors had pushed the work in 1909, they would in 1910 have been able to commence the work on the Quebec side at a much earlier and better season than they actually did commence, and the work therefore would have been in a much more forward state in the spring of 1911, when the coffer dam went out? A. Yes, sir.

Q. Furthermore, the clearing out of the Ontario side would have been completed much more thoroughly in 1910? A. Yes, sir.

Q. And so the pressure of water in the spring of 1909 on the Quebec side would have been much relieved? A. Yes, sir.

Q. On the matter of that dredge, there was a good deal of dredging to be done in any case by the Government that was outside of the contract? A. Yes, sir.

Q. And the dredge was proved to be inefficient for the work? A. Yes, sir, she was too light.

Q. There is still a large amount of excavating on the Ontario side to be done? A. Yes, sir.

Q. And isn't it designed to widen out the banks of the stream above the dam on the Ontario side? A. Yes, sir, we have done a part of that.

Q. And a large amount yet remains to be done? A. Yes, sir.

Q. Does the dredge help in that work at all? A. No, sir, we are doing it by a steam shovel.

Q. From the bank? A. Yes.

Q. And I presume you are only going down to low water mark, are you? A. We are taking it out in such a way that there is a bank of earth left between the water and the steam shovel.

Q. And the idea is that the bank is likely to be washed away by the high waters of the stream? A. Yes.

Q. That will be deep enough as that is only flood water you want to take off, I suppose? A. Yes, sir.

Commission adjourned.

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OTTAWA, THURSDAY, January 25, 1912.

## PRESENT:

Hon. A. B. MORINE, K.C. *Chairman.*  
G. N. DUCHARME, *Commissioner.*  
R. S. LAKE, *Commissioner.*

The examination of Mr. Charles R. Coutlee was continued from the previous evening.

*By the Chairman:*

Q. You spoke yesterday about some concrete work having been commenced by the contractors in the cold weather, and you made this remark: that if you had been a contractor you would not have done it. Were the contractors free to refuse to do concrete work in the winter? A. No, sir, they were not free to refuse. Did I refer then to concrete work or to excavation work?

Q. It is in connection with excavation work. I find this in the specification attached to the plan: "winter work—concrete will be laid during freezing weather, only on the written instructions as to the precautions to prevent freezing. Work will be stopped and resumed as directed, materials and plant will then be kept heated and a mixture of salt will be added to the concrete." That was approved by you? A. Yes, sir.

Q. So it is quite clear that there was provision in the contract for heating the material and the plant? A. Yes, sir.

Q. And also, it is clear from these words, that work could be stopped and resumed as directed by the Engineer? A. Yes, sir.

Q. I find in a memo. by the Minister to the Committee of Council, dated the 10th November, 1910, in which the Minister was recommending payment to the contractors for heating some work which was being started on the Quebec end, this language used: that the carrying on of the concrete work during the winter will necessitate the housing of a section of the dam to be built, and the installation of a heating system to prevent the fresh laid concrete from being damaged during freezing weather. It would, of course, necessitate the heating? A. I know about that. The heating mentioned there was to accelerate the set, so as to have a thoroughly set concrete to oppose against the spring freshet. Concrete does not set very quickly in cold weather. The chemical action is slow in winter. The salt merely makes a freezing mixture; it does not set it up.

Q. Would not the provision I have just read to you, from the contract, cover that class of heating? A. No, sir.

Q. It seems to be broad enough in its language to cover it? A. Well, the idea of that is, that we do not like very much laying concrete in winter, but occasionally it is necessary. Now, when it necessarily must be laid, it should be laid with precaution, and that is to cover the precaution for laying concrete so as to prevent crumbling away in the spring time. The concrete will remain frozen sometimes all winter and then the chemical action starts in the spring time, when the weather gets warm enough. When you want to have a structure strong enough to resist freshets in the spring time, you must artificially augment the setting. That idea of having a covered building over the cement is to have the concrete not only deposited, but set and strong to resist. We will have to adopt that this year.

Q. You have a specification here in the contract, under which you have just told me that the contractors were bound to do work in winter or at any season of the year? A. Yes, sir, I should not say bound; probably I should say allowed.

Q. You mean to say that these words: work will be stopped and resumed as directed; only allows them to build in the winter? A. When we allow them to build concrete in the winter, we stop them under extreme conditions of weather.

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Q. I am not speaking about what the contract means; I am asking you whether the contractors would be bound to go on if you would direct them to do so? A. Yes.

Q. What you mean is that they cannot do it in winter unless you consent? A. Yes.

Q. But they contract that they will stop and resume as they are directed? A. Yes, sir.

Q. And that the material and the plant will be kept heated? A. Yes, sir.

Q. Well now, what was there in that contract to prevent you from requiring them to heat this concrete as it was placed. Would not the terms of the contract cover that? A. Well, I would not think so. That refers, of course, to the placing so as to prevent injury during the cold weather. Now, what I wanted to bring about in that second place, there was a thorough set during the cold weather.

Q. You think that the provision in the contract probably refers to the heating of the material at what stage? A. My intention in putting that clause in the specifications was to have the heating done during the mixing.

Q. Before it was put into the moulds? A. Yes.

Q. That is what you had in mind? A. Yes, sir.

Q. Did you convey your mental impression of the meaning of that specification to the contractors before they took the contract? A. I do not think we had any conversation about that.

Q. Then, when they signed the contract the words stood to be interpreted according to the meaning they have there and not according to any mental impression you had? A. Yes, sir.

Q. At the time you decided to go on with the work in the winter of 1910-1911, on the Quebec side, did any discussion take place between you and the contractors as to the meaning of this provision in the specifications? A. Not that I remember.

Q. You just assumed then, for yourself, that it was not intended to cover the work of heating in the forms or moulds? A. Yes, sir.

Q. And the housing and heating which was undertaken in the fall of 1910-11, was that the actual heating of the form in which the concrete was to be put? A. None was actually laid. Our intention was to build a house over the whole structure.

Q. Over the whole dam from one end to another? A. Yes.

*By Mr. Lake:*

Q. To prevent freezing? A. Yes that system is ordinarily carried out.

Q. I mean as distinct from heating the moulds, simply after the concrete is got in to prevent it being frozen? A. No, sir, it was to heat it so as to accelerate the set.

Q. No heating and housing was, as a fact, undertaken? A. No, sir, we never got to that point.

Q. The coffer dam not having been finished, you never got to the point of doing that? A. No, sir.

Q. I want to read from a report by you to the Chief Engineer, dated 12th December, 1910, in which you say:

"Unwatering has been a serious item on this contract, and the extreme high water of 1909 frightened or deterred the contractors' manager from building the dam across the Ontario channel. In consequence, the proper force was not employed and the summer time was lost so that the Ontario channel was not opened, and therefore, the Quebec channel could not be coffer dammed although the water ran very low that August."

That would be 1909? A. Yes.

Q. The outcome of the wasted time in 1909 was that excavation and concrete work had to be carried on during the winter of 1909-10? A. That would be in the Ontario channel, yes, sir.

Q. That is a correct statement of the situation? A. Yes, sir, I think that is correct.

Q. Then you go on to say:

"Spring water found a fairly good dam across the Ontario channel, but it was not high enough and the rising lake flooded the work, causing a delay from May to July, 1909."

Q. Now, that fairly good dam across the Ontario channel had been built at what time? A. I think the year 1909 there should be 1910. I find on reference to the copy that it says 1909, but it should be 1910, I think.

Q. How, did it come that the dam was not high enough? Was that a fault of design or failure to build to complete the dam as high as the design was intended? A. That refers to a coffer dam that was built across the Ontario channel. There were two or three coffer dams put across the Ontario channel, and I think this refers to the cribwork, one that was built during the spring of 1910. As to that not being high enough, I cannot remember the circumstances at that time as to why it was not made higher. That was part of their unwatering work, and they made and designed that themselves; it was a subsidiary dam.

Q. In December, 1910, the Assistant Deputy Minister asked you to arrange a meeting with Kirby & Stewart for general discussion, and the Assistant Deputy Minister notified Mr. H. B. McGiverin, M.P., that he had asked you to arrange that meeting. Was that meeting held? A. That was in September, 1910.

Q. December 3, 1910? A. Yes, I remember a meeting when Mr. McGiverin was present.

Q. And Mr. Kirby? A. Mr. Kirby, yes.

Q. And Mr. Stewart? A. I do not think Mr. Stewart was there.

Q. Who was there besides yourself? A. I think Mr. St. Laurent, Mr. Kirby, Mr. McGiverin and myself.

Q. What had Mr. McGiverin to do with the matter? He was their lawyer.

Q. And what is called general discussion; did that take place? A. Yes, sir.

Q. Over the whole situation of the work? A. Yes, sir.

Q. Now, I find in a letter afterwards that you used some language to imply that the contractors were getting into financial inability? A. That is what I understood, that the banks were closing in on them.

Q. Did they make that complaint to you at the time? A. I cannot say, sir, but that was the general opinion.

Q. Was that the general opinion of those at that meeting, or a general opinion conveyed to you by that meeting? A. I think it was an opinion I got previous to that meeting.

Q. At that meeting what were the contractors and their lawyer urging? A. My recollection is that they wished to get the price of their excavation raised. I think that was what they were urging at that time.

Q. Mr. St. Laurent has told us that they said they should have more for their excavation because it was of a different character from that which they had tendered for, a good deal of hard sand in connection with it, and so on; is that your memory of it? A. Yes, sir.

Q. Now, you repudiated their claim for a better price for excavation, did you not? A. Yes, sir.

Q. You advised that the excavation was that which was contemplated by the contract generally? A. Yes, sir.

Q. The contractors claimed that the kind of excavation they had in mind when they made their first tender was not that which was really met with in the work itself? A. Yes, sir.

Q. And on your side, your argument was that before they signed the actual contract in July, 1909, the amended specification had been made by you and the test



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pits sunk and therefore that their contract contemplated the kind of excavation they were meeting with? A. Yes, sir.

Q. And, consequently, upon this discussion, you and the Assistant Deputy Minister agreed that they could not be allowed more for excavation? A. Yes, sir.

Q. Were you called into consultation with the Minister and the Deputy Minister upon the claim of Kirby & Stewart for some allowance? A. I do not think so, sir.

Q. You know that at that time it was decided that something further being forthcoming for excavation, that something should be allowed to them for the coffer damming of the Quebec channel. A. Yes, sir.

Q. And, on that subject did you come into any consultation with the Minister directly? A. I do not think directly, but I made reports upon it.

Q. Mr. St. Laurent has told us that he asked you to make that report dated 13th December, 1910? A. Yes, sir.

Q. And there is a long report here, winding up with the recommendation by you that they should be allowed the price of the coffer dam during that winter? A. Yes, sir.

Q. Now, when you were making that report, were you told that the Department had decided or contemplated making them an extra allowance of some kind? A. No, sir. I have always thought that their unwatering price was ridiculously low and that the Department could not have the same work done at anything like that price. I have always thought that price, if possible, should be raised.

Q. But you were the Government Engineer in charge of these works? A. Yes, sir.

Q. Now, as such, you would not enter into a piece of pleading with the Department to make an extra allowance for contractors' work unless you were urged by the contractors to do so or by your Department to do so? A. No, sir, I saw clearly myself that the Department could never get the work done.

Q. What do you mean by that? A. For that price.

Q. You meant to say that you saw clearly the contractors would not do it? A. That they would not do it or could not attempt to.

Q. They could attempt it? A. They did attempt it, as a matter of fact.

Q. What did you see at that time that moved you to do what, on the face of it, would be a peculiar thing, arguing with your own Department in favour of giving more to contractors, what moved you? A. Well, sir, I clearly saw that the Quebec channel was going to be difficult. I think I estimated it as a \$20,000 coffer dam, and I thought, in the interests of the work—I think I stated that in that report; I knew at the time I was standing on delicate ground.

Q. I know, but in order to get you off that delicate ground, I want you to frankly put the position with regard to your writing that letter of December 13, 1910. The Commissioners have been forced to regard this letter as a piece of strong special pleading, by a Government Engineer in favour of an allowance to contractors, and upon the face of it you will admit that it has the appearance of that? A. Yes, sir, I admit that.

Q. Then the Commissioners can conceive a number of reason which might have moved you. One was, that the contractors themselves represented to you that they were financially unable to go on and would abandon the work. Another might be that having pressed their views on the Department, and the Department having decided to do certain things got a report which would make it possible for the Department to do it. Those things might have prevailed on you and I am anxious to give you an opportunity of saying why you wrote a letter of that kind? A. Well, sir, it really had nothing to do with either of these. I realized that the work was away behind. We were anxious to get it done, and it seemed to be a reasonable thing to undertake.

Q. We will take this position—still reminding you that you were Government Engineer in charge of the work and that there was a contract signed and sealed.

Mr. LAKE.—And a deposit.

*By the Chairman:*

Q. And a deposit, have you anything else to tell us? By the way, the term at which the work is to be completed is fixed in the contract itself as the 20th day of July, 1910? A. Yes.

Q. And the time was extended at various times? A. Yes, I was very careful to have that time extended each time.

Q. I find that on the 13th December, 1910? A. I think the first extension was for six months.

Q. You say the first extension was for six months; that would bring it down to what time? A. To the end of December, 1910.

Q. And on the 13th December, 1910, you notified Kirby & Stewart that their contract time expiring the 31st December, you were instructed to say that the Department would extend the time to the 30th June, 1911, and consequently, at the time you wrote that report, you were within a few days of the expiry of the extended time? A. Yes.

Q. And, consequently, you could have taken the work off the hands of the contractors under the terms of the contract at the end of December? A. Well, that is a difficult thing to undertake.

Q. I am not talking about the difficulty? A. I could not have taken it off.

Q. I do not mean you, I mean the Department. The contract expired in December, 1910, if a further extension were not given? A. Yes.

Q. Then, at that time, you say you saw that the work was not being pushed, that there was need of something more being done and that in order to get something more done you felt that a greater allowance had to be made to pay for the coffer dam? A. Yes, sir, I felt that.

Q. Merely allowing the contractors more pay would not, of itself, get the work done any quicker, would it? A. Well, yes.

Q. How? A. These men were evidently becoming sick of their job, and it was certainly an incentive to them to recommend that the coffer damming would be done.

Q. I say that merely allowing them more money would not, of itself, get more work done? A. Not of itself, unless—

Q. There must be something behind it? A. Yes.

Q. Did you allow them more money, because they were financially unable to go along any further? A. Well, the idea was—how shall I put that—the idea was to guarantee to pay them for the coffer dam. We did not vote them a certain amount of money, you understand?

Q. You guaranteed to pay them a fifteen per cent profit on the work? A. Yes.

Q. And, under their existing contract, they were bound to do that work without any profit except what they might make out of the contract? A. Yes, sir.

Q. And you believed they were going to lose money in doing this work? A. I believed they were not going to attempt to do it at all.

Q. Did you believe they were not going to attempt to do it at all, because they felt they would lose money on it? A. Yes, sir.

Q. Is that the only reason? A. That is the only reason.

Q. You did not feel they were going to refuse to do it because they were financially unable to do it? A. That is what I mean, that they were financially unable.

Q. There are two things—a man may be unwilling to do work because he is losing money which he is perfectly capable of losing, or he may be unwilling to do it because he is financially unable to do it, which was their position as you understood it? A. As I understood it they were financially unable to do it.

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Q. And they were also unwilling to undertake it? A. Yes, sir.

Q. And they had made representation of their position to you, prior to this, had they not, in that discussion which took place? A. I think, Mr. Morine, that the idea of building the coffer dam by the Department originated with me.

Q. Not building it by the Department, but paying the contractors for building it, that originated with you? A. Yes, that is what I mean.

Q. I have no doubt, from what I see in the report, that it originated with you. but it might have originated from you because of some representation made by the contractors? A. No, sir, they never seemed to realize that their unwatering was the great trouble. They were always endeavouring to get the price of their excavation raised, and I did not see that the Department's interest would be furthered by raising the price of their excavation.

Q. But you did not undertake to recommend the Department to take a piece of work off the hands of contractors and do it at its own expense, merely because the contractors were not going on with the work as they ought to have gone on with it? A. No, sir, I did it because I wanted to see the work go ahead.

Q. Do you mean to tell me now that when contractors are slow with their work, that you as a practice recommend that they shall be paid an extra sum to do the work? A. Well, under circumstances, I would.

Q. What circumstances, for instance? A. That is, where the thing is in a hopeless mess, like that.

Q. What do you mean by a hopeless mess? A. As their contract was in.

Q. In what way? A. They were certainly financially unable to go ahead with that Quebec coffer dam as specified in the contract.

Q. When you say that, as to what you would know about their private finances, you must have depended on what they told you? A. Well, I really cannot tell, I do not remember their telling me that. I never remember their coming and saying they were embarrassed, but I have understood it. I do not know where I got the impression.

Q. Well, we will take that—because you understood from the impression, the authority for which you don't know, that they were financially embarrassed, you recommended that in face of the terms of the contract the Government should undertake the work and pay the contractors an extra sum? A. I recommended the taking over of that coffer dam because it seemed to me to be the only way in which the Department would eventually get that work done in any kind of time.

Q. Ordinarily, if a contractor fails to keep the terms of his contract the contract would be terminated and the deposit would be forfeited, would it not? A. Well, that is the theoretical idea.

Q. Ordinarily, I say, does it never occur that that is done in practice? A. I do not say it does.

Q. Then if a contractor makes money he walks away with it, but if he loses money the Department makes it good, is that the practice? A. I would not like to say that is the practice, but it seems that when a contract is signed it is impossible to get out of it unless the contractor is a good contractor and has plant and everything in his favour.

Q. Let us get over that—you are now speaking of what does as a fact occur in the departmental work as you have noticed it, and you say that on the one hand you have never known a contractor to return money because he had made a profit on the job; there is no dispute as to that? A. I do not suppose that ever takes place.

Q. And where a contractor fails to go on with the work from one cause or the other, your experience in the Department has come to the assistance of the contractor in some form or other, either in taking the work off the hands of the contractor or by giving the contractor an extra allowance? A. Yes, sir, that is my idea.

Q. In this case, seeing the work not going on for the reasons you have given us, did you recommend to the Department that they should endeavour to put pressure upon

these contractors to complete their work? A. I think I did, sir. We had several discussions about the situation as it existed.

Q. Anyway from what you observed, from what you heard, and from your belief that the contractors would not push that work satisfactorily, you decided to recommend the assumption of the cost of building the coffer dam across the Quebec channel by the Department the work to be done by the contractors, and they to be allowed fifteen per cent on their expenditure? A. Yes, sir.

Q. At this discussion which you had with contractor Kirby and Mr. McGiverin and the Assistant Deputy Minister did you tell them that that is what you would do? A. I do not think so. I think that all the discussion we had was mostly between myself and the Department.

Q. Meaning the Assistant Deputy Minister? A. Yes.

Q. Was the letter of the 13th December the result of the decision arrived at between yourself and the Assistant Deputy Minister that you would recommend an allowance in that way? A. It was.

Q. As a matter of fact, Mr. St. Laurent says it was? A. We had several discussions about the matter.

Q. In these discussions over the matter, which is referred to in the letter of December 13, and between you, you arrived at that conclusion and then you went out and for the purpose of a record you made this letter of December 13 so as to put in writing what you had been talking over in this discussion? A. There were several discussions with Mr. St. Laurent.

Q. Well, in the several discussions? A. Yes.

Q. The letter is a conclusion of the discussions? A. Yes.

Q. Just to go over that letter dated December 13, and to draw your attention, to two or three matters, I find this:

"2. The Order in Council, 13th March, 1909, annulled the former—(that is the tender of the bulk sum of \$76,000 for the wooden dam) and authorized the concrete structure at the unit prices provided for such an alternative structure in the original tender."

Now, bearing in mind the examination of yesterday, what warrant had you for this statement: the unit prices provided for such an alternative structure in the original tender? A. You remember, that in the original tender there was a price for concrete.

Q. But there was nothing in the original tender to indicate that it was intended to have an alternative structure? A. No; you remember I explained that to you.

Q. You would regard that language now as being inaccurate, would you not: at the unit prices provided for such an alternative structure; would you now express it: at unit prices provided for concrete in the original tender? A. Oh yes.

Q. You do not now stand by the statement in that letter that an alternative structure was provided for in the original tender? A. Except in that price there.

Q. Except that in the original tender you did find a price for concrete? A. Yes.

Q. And yesterday you said you did not know what concrete could have been meant by that expression in the tender? A. Yes.

Q. You also used this language:

"Nothing is said in the original specifications that would lead to the idea of laying dry the river bed by coffer dams and steam pumping. A bulk sum price, however, of \$4,000 appears in the tender, "Item 25 unwatering." In adopting the concrete design under this tender, the unit price of \$4,000 fixed for unwatering remained, like the other prices, unchanged. The work, however, contemplated under 'Item 5 coffer dam' of the new specifications is very much more serious as a perusal will show."—That is quite true as you state it? A. Yes, sir.

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Q. But you do not go on, in that letter, to point out that the work contemplated by the new specifications is precisely the work for which they contracted by the contract of July, 1909, and that all the circumstances which varied from the original tender, were all quite in view at the time the only contract was signed; that is the case? A. Yes, sir.

Q. And for a fair consideration of the equities of the case, what you say in the paragraph I have just read is partial, is it not? A. Well, it does not recite the fact that they signed the contract but that was taken as common knowledge.

Q. In other words then, this statement of yours is not a statement of all the facts? A. Not in detail.

Q. The persons who read it would know all the facts? A. Oh, yes.

Q. Why state part of the facts and not the other part, why not assume they knew them all? A. I think it fair to assume they knew the contract was signed.

Q. But you are pointing out in the original tender these things were not contemplated, which was only half the truth. You do not point out that later on these things were all provided for in the contract and furthermore, that the special notice of the contractors had been drawn in writing to the fact that the sum of \$4,000 had to be taken for the whole work they were to do under the new contract, so that anybody reading that account alone, and not relying on the information he happened to have himself, would only get a partial statement of the facts? A. He might. Of course that was written to Mr. St. Laurent who was well apprised of all those things.

Q. But it was intended to go past Mr. St. Laurent? A. No, sir.

Q. You knew that was going to be made use of by Mr. St. Laurent for the purpose of a memo. which would go to Council later on; you were providing it for that purpose? A. No, sir, that was merely a report to Mr. St. Laurent personally.

Q. But you told us it was a report prepared to Mr. St. Laurent after several discussions had taken place for the purpose of putting something on record as to the reasons for this recommendation? A. Yes, sir.

Q. And you were putting forward only half of the reasons which existed and not the other half? A. You put me in a bad position there.

Q. I am trying to give you a chance to get out of it? A. I was writing that letter in perfect good faith to Mr. St. Laurent, who knew as much about the work as I did, except the details.

Q. Why write it at all? A. I do not remember why write it at all. It was just a report to him.

Q. Either it was a report upon which he was going to rely, in which case it ought to have been a perfect report, as complete as you could make it, or it should not have been made at all, because it is only half a statement of the truth? A. Pardon me, sir, that report was made to Mr. St. Laurent, and certainly he could rely upon every word that was in that report. It was made in perfect good faith.

Q. Did Mr. St. Laurent know all about the facts as well as you did? A. Yes, sir.

Q. What occasion was there for making a report of part of the facts to Mr. St. Laurent? A. As I take it, that report is a fair report on the whole situation.

Q. Does it make any mention of the fact I have pointed out that these things were all in view at the time the contract was signed? A. I took it for granted he knew that.

Q. Why not take it for granted he knew what you did report? A. Well, that is an ordinary report.

Q. I was giving you an opportunity of setting yourself straight in the matter; this is an official report? A. Yes, sir.

Q. It does not contain a correct relation of all the facts? A. I differ from you there, I think it does.

Q. Does it make any mention of what I have just pointed out, that all these things were held in view, and very much understood by the contractors at the time

they signed the contract? A. No, it does not. I said that. I did not think it was necessary to state that.

Q. And the reason you did not think it was necessary was because you told me you were relying upon Mr. St. Laurent's knowledge of the facts? A. Yes, sir.

Q. I am taking the language itself as an official record that was going to go out and be read by people who did know and by people who did not know, and I ask you if it is in itself a complete statement of the facts? A. Well, I thought it was.

Q. You could not have thought it was in relation to that matter, did it occur to you that it was not? A. It never occurred to me, sir, that it would be necessary to mention that.

Q. Why not? A. Well, it was common knowledge.

Q. But what you had mentioned was also common knowledge? A. Yes, but you know it is a general statement.

Q. But purely matters of fact such as you are relating were as much within the knowledge of Mr. St. Laurent as they were within your own knowledge? A. I should think so.

Q. Except for the purpose of making the argument, with which your letter winds up, and as a basis of that argument, it was not necessary to remind Mr. St. Laurent at all, was it; he would know it all. A. Usually, in making a report you review the facts generally and that is what that attempted to do.

Q. I point out a significant fact which completely answers what you have said, namely, all these things were held in view by the parties and specially considered at the time they signed the contract, and you don't mention that fact in the letter? A. I do not.

Q. Why did you omit it? A. I do not know why.

Q. Is not this true; that aware of the previous decision that had been come to that the coffer damming should be recommended, this letter is really an argument to lead up to a prior conclusion, is it not? A. That letter is to show my bearing toward the matter of coffer damming.

Q. You know that these matters had been considered when the contract was signed? A. I presume so.

Q. You did know? A. Yes, I do not think the contractors ever realized what the unwatering was.

Q. You are trying to go into their mental process, but you know as a fact they were notified that the sum of \$4,000 covered unwatering? A. Yes, in the specifications.

Q. And you know further that the specifications framed by you, attached to the contract and signed by them, expressly, in the most explicit language warns them that the sum provided for coffer damming covers the whole coffer damming? A. Yes, sir.

Q. And all the coffer damming which was done was from the final plans and specifications and had to be done? A. Yes, sir.

Q. So there was no doubt whatever that so far as human ingenuity could draw the matter to the attention of the contractors, they were notified? A. Yes, sir, they were fully notified.

Q. And whether they realized all that meant or not is a mental process about which nobody can give evidence but themselves? A. Yes.

Q. In recommending that the government do the work of coffer damming in 1911, you thought that the coffer dam could be cancelled and the dam itself thrown out across the Quebec channel before the high water in the spring of 1911? A. Yes, sir.

Q. As a matter of fact the coffer dam was not completed across the Quebec channel until May, 1911? A. The coffer dam was completed across in January, 1911, and was unwatered, I think, in February or March, 1911, and then excavation was begun in the Quebec channel for the main construction.

Q. Then, what happened? A. Then, the excavation proceeded until the coffer dam floated out in May.

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Q. And no concrete work was undertaken? A. No, sir.

Q. Why not? A. Well, I think there may have been a few yards laid but they had not time to do it. The dam was first flooded from the lower side by water backing up over the lower dam, you understand there are two dams, one above and one below.

Q. And the water backed up from the lower dam and flooded the work? A. Yes.

Q. So that you would have to pump it out? A. Yes, sir, that would have to be pumped out.

*By Mr. Lake:*

Q. When did that take place? A. In April, 1911.

Q. Late in April? A. Sometime in April, I think it was about the middle of April.

*By the Chairman:*

Q. You, therefore, recommended that the work be continued in the winter by housing it in as already arranged by the Order in Council, and that the Department assume the risk and pay for the coffer dam in the Quebec channel? A. Yes, sir.

Q. Your recommendation was that the Department assume the risk and pay for the coffer damming in the Quebec channel? A. Yes, sir, I think that was it.

Q. Your recommendation was that the Department pay for the coffer dam which you estimated at \$20,500? A. Yes.

Q. You contemplated paying for the whole coffer dam across the Quebec channel? A. I think so.

Q. But later on, I find on a memo. dated 4th January, 1911, and acted on by the Committee of Council on January, 14, 1911, a recommendation that authority be given to pay to the contractors over and above their contract price the actual cost of coffer damming and unwatering necessary to complete the dam across the Quebec channel, including the removal of the coffer dam, plus the usual per cent. for incidentals. Of course, you do not know what conception the Council had of 'complete,' because that word in their minds would depend upon the information they had as to what was already done? A. They mean to complete the concrete dam.

Q. And there is the actual cost of the coffer damming and unwatering necessary to complete the dam. You think that means that the Department assumed the whole cost of coffer damming and even the amount which had already been expended? A. That is what I understood. It should have been the main dam.

Q. And it would have been sufficient to say the coffer damming and unwatering of the Quebec channel? A. It probably would.

Q. And there would have been no mistakes about it then? A. Yes, or if they said the main dam.

Q. That would make it perfectly clear. After this letter of yours, did the contractors become active in the work? A. It seems to me that they did some work, yes, they did some work in January. In fact, they had the coffer dam built across the Quebec channel before the Order in Council was passed, agreeing to pay for it.

Q. Then, what happened in the matter of the work, did they get on with the work actively? A. Yes.

Q. What did you mean by writing on February 20, 1911, urging pressure of the work, and on February 24 saying to them: the condition of your contract is ridiculous and amounts to a breach of faith with the Department. You wrote that? A. Yes.

Q. What did you mean? A. When they got their coffer dam it seemed to me they worked pretty briskly during January, and then we had an awful time getting the coffer dam tight, and at that time they would not get the proper men to do the work and we had a great deal of trouble.

Q. You used very strong language to them? A. Yes, sir.

Q. You charged them with a breach of faith with the Department? A. Yes, sir.

Q. What justified that language? A. Well, they were not using the proper men on that coffer dam work in my opinion.

Q. Were they showing negligence? A. It practically amounted to that.

Q. And carelessness? A. It practically amounted to that.

*By Mr. Lake:*

Q. You thought your language was necessary? A. Yes.

*By the Chairman:*

Q. Did they create the impression on your mind that despite what had been done in assuming the cost of that coffer dam they were sick of the work and wanted to abandon it? A. Well, no, my impression was that they knew nothing about the work themselves, and their manager was hopeless.

Q. Although this work of coffer dam was actually being paid for by the Government with fifteen per cent profit, they still were not doing the work in a creditable fashion? A. No, sir.

Q. Had that class of inattention and misconduct as to practice marked the whole of the work done by these contractors under that contract from the beginning? A. As I explained to you their manager was very incompetent. The next two managers were good men, their third manager was incompetent.

Q. All through this work by letters and otherwise, you made complaint that the contractors themselves did not visit the work, as in your opinion they should have done, and did not keep in touch with the causes of fault finding? A. That is the fact.

*By Mr. Lake:*

Q. About what date did the first superintendent come on? The hopeless man you speak of? A. I think about August, 1910.

*By the Chairman:*

Q. Now, in March, 1911, the Auditor General objected to the payment for extra work under coffer damming, &c., and some discussion arose between the Department and the Auditor General, and I find a letter from you dated March 14, to the Assistant Deputy Minister—I would like you to turn it up and recognize it, if you have your copy there—in which you say: 'in connection with the bill for unwatering in favour of Messrs. Kirby & Stewart, contractors, I have to state.' Then you go on with a number of arguments which are practically the same as some of them contained in your letter of December 13. What was the occasion of writing that letter? A. I presume that was in connection with the accounts and with the objection of the Auditor General.

Q. But in writing Mr. St. Laurent about that, you would probably do so on a request from him to write him a letter on the subject? A. Possibly, but I do not remember the circumstance. What was the date of that letter and perhaps I can recall it.

Q. The letter was dated March 14, 1911? A. I have the letter here in my copy-book. That letter pretty well defines the position we were in.

Q. What I asked you was what were the special reasons for writing the letter at that time? A. I think it must have been that these accounts were sent back to me.

Q. Did you know of the objection made by the Auditor General? A. I presume I did, I presume the accounts were sent back to me.

Q. The contractors were Kirby & Stewart? A. Yes, sir.

Q. Do you know whether any other person was in partnership with them or not? A. I do not think so, sir, that is the firm name, so far as I know.



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Q. With which of the partners did you most frequently come in contact? A. Well, I think we came in contact with their manager. I saw them occasionally. I saw both Kirby & Stewart occasionally but I came in contact more with their manager.

Q. Kirby is generally recognized as what is called the practical man of the partnership, he is a contractor in other respects? A. Oh, he has done street work, but that kind of unwatering work completely kills these men.

Q. You mean to say they were not familiar with that kind of work? A. Yes; the railway contractors always get into trouble when they undertake hydraulic work.

Q. You never had anything to do with them as contractors in any other Government job? A. No, sir.

Q. And therefore, when you took charge of the work and they became the contractors, you did not know whether they were competent to do the work, or not, from any previous experience? A. No, sir.

Q. In the midsummer of 1911, a discussion was held between Mr. Chrysler, K.O., and the Minister. I think the Assistant Deputy Minister told us he was present, concerning the position of the contractors, and the work, and so forth, were you called into that discussion? A. I do not think so.

Q. You do not remember seeing Mr. Chrysler there and the Minister over this matter? A. No, sir, I do not think so.

Q. At that time Kirby & Stewart requested that the work should be taken off their hands altogether, and one reason they gave was that their plant would be lying idle while the Government was building the coffer dam. Now, were you under the impression that Kirby & Stewart were consenting parties to the Government building the coffer dam altogether? A. Yes, sir.

Q. Would it be lying idle while the Government was building the coffer dam? A. Their concrete plant would.

Q. That would be true no matter who built the coffer dam? A. Yes, sir.

Q. At that time, June 29, the Government had not, as a matter of fact, undertaken to build the coffer dam by day work? A. I thought you were speaking of June, 1911.

Q. I am speaking of June, 1911? A. Well, the coffer dam had been built and failed at that time.

Q. The coffer dam had been built by the contractors, but I am talking of the actual work of rebuilding the coffer dam under the Government? A. That was not undertaken until August, 1911.

Q. I see that on July 29, Kirby & Stewart say that their plant will be lying idle while the Government is building the coffer dam? A. I do not quite understand that.

Q. In a letter from Kirby & Stewart dated June 29, 1911, to the Minister of Public Works, reference is made to the letter from Mr. Coutlee dated May 12, in which mention is made of the offer by Joseph Filion to conduct the work of reconstructing the coffer dam, and they go on:

“Our plant is now idle and there is no certainty as to when the unwatering of the Quebec channel, cost of which has already been assumed by the Department, work will be commenced. The coffer damming may again be carried away and further delay caused to us, our plant, in case of accident, lying idle through no fault of ours, while the work of building the coffer dam is being carried on by the Department at its own cost and risk.”

At that time, the Department had not undertaken to build the coffer dam at its own cost and risk? A. No sir, I think that was—

Q. You apparently had that in mind when you spoke of Filion's offer to conduct to employ him. In fact, I wanted them to employ him before.

sup. He is not there. He is supposed to be a very good coffer dam builder and I wrote the contractors asking them

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Q. Then at this time you really did not mean to say that the Government were going to undertake the work themselves? A. I do not think so.

Q. Then, he says here: "There is no certainty as to when the unwatering will be commenced." At the date of this letter, June 29, the contractor was still there? A. Yes, I presume so, it was very nearly brought to a conclusion then.

Q. But they had made no application for extension? A. No, sir, I think so, but I am not sure.

Q. Upon the mere point of extension of time there would be no difficulty in obtaining it? A. I should not think so.

Q. It was later on granted, was it not? A. I do not think any extension was given them, but I am not sure.

Q. This last extension was for six months and it would be up at the end of June? A. Yes.

Q. Up to the end of June was there any reason why some work should not have been undertaken as to coffer damming? A. It was pretty high water.

Q. I suppose there was preparation which might have been made for it? A. Yes, sir.

Q. Was the requisite timber on hand? A. No, sir.

Q. And no attempt had been made to get it? A. No, sir.

*By Mr. Lake:*

Q. Did the change in the site involve a large amount of work not originally contemplated? A. That is the change from the wooden dam.

Q. The change in the site? A. Yes, sir, it did.

Q. Then, are we to understand, that a concrete dam built in the changed site would be a more expensive structure than a concrete dam on the original site? A. I do not think it would. I should think that the present site was the more expensive of the two.

Q. It involves more expense than the old site? A. Yes, sir; you are now referring to the actual concrete dam itself?

Q. I mean the whole cost of the concrete dam on the new site? A. Would you like me to explain that to you on the plan?

Q. I just want the expense? A. I think it is more expensive, I do not think there is any doubt about it.

Q. So that the change of site threw a greater amount of expense upon the contractor?

The CHAIRMAN: Pardon me, that is another thing. The contractors were being paid unit prices. The dam might cost more but the contractors would be paid more.

Mr. COUTLEE: It was not a bulk sum contract.

Mr. LAKE: In a way it was.

The CHAIRMAN: Yes, but you have to separate the two so as to make it what is meant. As I understand it, witness said that the new dam on the new site cost more than the old dam on the old site, that is all you said so far? A. Yes.

*By Mr. Lake:*

Q. Is it correct that the change in the site of the dam involved a larger amount of work not originally contemplated? A. Yes, sir.

Q. Now, in January, 1911, is it perfectly correct to say in your opinion that the contractors have so far executed their work in a first class manner and have shown good will to meet the changed conditions? A. That would be in connection with the Ontario channel; what are you quoting that from?

*By the Chairman:*

Q. Mr. Lake does not say in connection with the Ontario channel. He asks if in January, 1911, that statement is correct or needs qualification? A. I think that is correct; there was no work done then in the Quebec side.

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*By Mr. Lake:*

Q. And you would say: the contractors have so far executed their work in a first-class manner and have shown good will to meet the changed conditions. Do you?  
A. Yes, sir.

*By the Chairman:*

Q. Do you mean to say with regard to the quality of the work it was first-class?  
A. Yes, sir.

Q. But with regard to the time they had taken in executing the work had they acted in a first-class manner? A. Oh, no.

Q. Don't you think that remark was made generally as to the following up of their contract? A. The peculiarity of these men was that they were at the mercy of their superintendent. There never was an objection set up by them to doing what was asked; they finally did it.

Q. Let me put this question: If that statement were made to men who might know nothing about the matter except the statement itself, is the language just quoted calculated to convey a correct impression of the surrounding circumstances? A. No, it might give a wrong impression.

Q. And, as used, it might be true in a limited sense when applied to the quality of the work done? A. It would not be true in the larger sense as to their general conduct of the whole work? A. No, sir.

*By Mr. Lake:*

Q. Did you actually send a report about their qualifications? A. I think that which you read is an extract from a report of mine.

The CHAIRMAN.—No, that in itself is an extract from a memo. to Council.

*By Mr. Lake:*

Q. And it says:

“The Engineer reports that the contractors have so far executed their work in a first-class manner and have shown good will to meet the changed conditions.”

A. What date is that?

Q. 4th of January, 1911? A. I remember speaking about that.

Q. Did you report that? A. I think I did, I think I recognize the language some way or other.

Q. You think that that language is yours? A. I think so.

Q. And that you made no qualification upon it? A. I cannot say about that part of it. It would be a loose statement the way it is, I must admit.

*By Mr. Lake:*

Q. Would not such a statement by itself convey the impression that everything was satisfactory so far as the prosecution of the work was concerned? A. Yes, it might; when you began to read that I thought it was from a report of my own.

Q. And yet in February, you accuse them of neglecting their work, and doing what practically amounted to a breach of faith with the Department? A. Yes, sir, their manager was entirely incompetent.

Q. And yet that same manager had been on the work for a number of months?  
A. He began about August preceding that.

Q. He was there for a number of months preceding it? A. Yes, he had nothing to do with the building of the Ontario channel though.

Q. If you did use the language there referred to, when you speak of their executing their work in first-class order, you were referring only to the quality of the concrete work done? A. Yes, sir, it was a very good piece of concrete work.

Q. And you only used that language in the narrower sense, if you used it at all?  
A. Yes, sir, it is a very creditable piece of concrete in the Ontario side. I remember

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indirectly it was criticised, and it is very likely that that is a statement I made with regard to the quality of the work. That is why the language sounds familiar to me.

*By Mr. Lake:*

Q. Was the sum \$4,000 actually expended in unwatering the Ontario channel?

A. The greater portion of it was, but I cannot give you the exact figures.

*By the Chairman:*

Q. Did you ever have the exact figures? A. I think I had, I think I estimated that at one time. It is difficult to get at this work done by the contractors, because we would not have the full details regarding it—but it runs in my mind that about \$3,000 was expended.

*By Mr. Lake:*

Q. Had the work been done and done at the proper season, and pushed with expedition, would it have cost that sum? A. I do not think so.

Q. Did you report actually that the unwatering of Ontario channel had cost \$4,000? A. I think I reported it cost \$3,000. It might be in the letter of the 13th December. I find here that I reported that the amount for unwatering had been \$4,000, three coffer dams that were built in that Ontario channel.

Q. In that report you do not call attention to the fact that had they pushed the work from the very beginning it should not have cost so much and that it was their fault it had cost so much? A. No, sir.

*By the Chairman:*

Q. Furthermore you said a moment ago that it cost \$3,000, how do you explain the statement in your report that it cost \$4,000? A. I was speaking from recollection when I said it cost \$3,000.

Q. And you say now that it cost \$4,000? A. I see, in my report, that it has cost \$4,000.

Q. And you told us it had only cost \$3,000? A. I was speaking from recollection then.

Q. You think now that your recollection was wrong and that it actually did cost \$4,000? A. Yes, and I so reported. It is very easy to run away with \$4,000 in that sort of work.

Q. How would you arrive at the \$4,000? A. I would have estimated the two or three coffer dams that were built in that Ontario channel.

Q. But did you have any means of knowing that that actually did cost the contractors \$4,000? A. Nothing outside of the estimate.

Q. You did not examine the contractor's figures? A. No.

Q. When you speak of two or three dams, are they successive dams, one after the other, was it necessary to have more than one dam at the same time? A. No, they built in the first place a very small earth dam for a coffer dam, and I think there was a second heavier dam and then finally they made a good cribwork coffer dam.

Q. The first two dams were insufficient and ineffective? A. They were effective, but they were insufficient.

Q. It would have been right to have built the final dam at the outset? A. I should think so.

Q. So that a good deal of expense charged to coffer damming in that \$4,000 is for dams that were ineffective when they were built? A. Not a good deal of it, but a part of it.

*By Mr. Lake:*

Q. From your experience with these works, do you think that the first coffer dams you have mentioned could possibly have been effective? A. No, sir, they were inadequate.

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*By the Chairman:*

Q. Do you ascribe to the incapacity of these people to handle work of that kind? A. Yes, sir.

Q. I think you told us that you estimated the cost of the coffer damming and unwatering in the Quebec channel at \$20,500? A. Yes.

Q. How much did it actually cost? A. I think \$60,000.

Q. Do you often make such mistakes as that? A. I have not had the misfortune to make many like that.

Q. Was there any special reason why it cost so very much above your estimate? A. Yes, sir, on our present dam, undertaken by ourselves, we have expended, up to date, \$50,000.

Q. You were asked if there was any special reason why your estimate on that dam went away off, and you were given an opportunity of stating the reasons why your estimate was so overshadowed by the real cost? A. It was just difficulty in staunching the dam. You will understand that to build a coffer dam is one thing and to make it tight is a more difficult thing. That is the best explanation I can give you.

Q. The actual cost of the construction of the coffer dam itself did not exceed your estimate to any great extent? A. I think I put the cost down as so much per cubic yard. The upper coffer dam I had at \$10,000 and the lower coffer dam at \$1,250.

Q. Part of that was already constructed? A. Yes. Now we had to build an additional dam and I have nothing there for placing staunching material in front of the dam?

Q. But part of it was already constructed and that part was actually included in this estimate? A. Yes.

Q. And you had the contractors' experience up to that time? A. Yes, I would like very much if you would go and see the place there in order to get an idea of what it looks like.

*By Mr. Ducharme:*

Q. Will you tell me who suggested the change from the wooden dam to the concrete dam? A. I do not know, sir.

Q. You do not know who suggested the change? A. No, sir, that was before I took hold of it.

Q. When you took hold of it, it was when? A. It was in March, 1909.

Q. Was the change of location of the dam necessary? A. Yes, sir, it became necessary with the new type.

Q. The new type, the new kind of dam? A. Yes, sir.

Q. When was that? A. That would be between March and May.

Q. Why did it become necessary on account of the type, to change the location? A. The original dam had a heavy base, you understand what I mean by a base.

Q. The foot? A. Yes, sir, a heavy solid base. Now, Mr. Matheson and myself wished to increase the waterway, that would be the cross-section.

Q. The sluice? A. Yes, sir.

Q. And in order to do that? A. In order to do that we had to make a dam of the stop-log type, but with the base right down to the bottom of the river, in fact it had to be excavated to the bottom of the river to obtain a seat for the dam.

Q. So that would make the dam more costly? A. Yes, sir, more costly.

Q. But what about unwatering and coffer damming? What effect would it have on the coffer damming and unwatering? A. Well, it would make the unwatering at least as costly.

Q. As what? A. As the former site.

Q. When was the coffer dam begun there on the second location? A. It was begun in October, 1910.

Q. On the Ontario side? A. No, sir, on the Quebec side.

Q. I am speaking of the Ontario side all the time? A. There was two or three dams made there, I cannot remember.

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Q. Will these answers you have given me apply to the Ontario dam? A. Yes, sir, I am giving you for the whole dam.

Q. Would the change of location require the same change on the Ontario side as the Quebec side? A. Yes, sir.

Q. Do you remember when the coffer dam was made in the Ontario channel, would it be October, 1909? A. No, sir, the sluiceways had been built on the Ontario side then. The Ontario was finally blown out.

*By the Chairman:*

Q. The Ontario coffer dam? A. The Ontario coffer dam I should say was finally blown out November 17, 1910.

*By Mr. Ducharme:*

Q. When was it made? A. That must have been built in the spring of that year, I think.

Q. If Mr. Donnelly said it was built in November, 1909, would you believe it? A. Well, I may be confused in my dates. Oh, 1909 you say?

Q. Yes. A. It might have been built in 1909.

The CHAIRMAN.—You said it was blown out in November, 1910.

*By Mr. Ducharme:*

Q. When was it made? A. I think it was the spring of that year. It might have been the year before. I do not remember.

The CHAIRMAN.—Donnelly said it was made in the spring. They had been doing some work excavating in October, but the coffer dam was not built till the spring.

*By Mr. Ducharme:*

Q. From October, 1909, to November, 1909, was there much water at the place where the dam was to be built? A. Yes, sir, that was the spring flood. Is it 1910 or 1909 you are speaking of?

Q. 1909. A. 1909 was low water.

Q. Is it not the fact that it was perfectly dry at that time? A. The Ontario channel would be dry.

Q. I am speaking of the Ontario channel. A. I think so, sir.

Q. Would the place where the first dam was to be built be dry also? A. No, sir.

Q. Why? A. It is above the obstruction in the Ontario channel, there would naturally be obstruction in the Ontario channel.

Q. How much water would there be then? A. There would be about ten feet of water, nine or ten feet.

Q. If the second location was dry and the first location had ten feet of water, which of the two would cost the most to make the coffer dam? A. The wet location would cost the most.

Q. The wet location? A. I think so, in those circumstances.

*By Mr. Lake:*

Q. For what period was the Ontario channel dry? A. I think it would be dry during September and from September on until the following spring.

Q. Would there be any necessity for a coffer dam at all on the Ontario side? The CHAIRMAN.—You mean in the new location?

Mr. LAKE.—Yes.

WITNESS.—There was not for some time at any rate.

*By Mr. Lake:*

Q. But they could have put a dam there if they had got to work at the right time without having to expend anything whatever in coffer damming? A. Practically so.

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*By Mr. Ducharme:*

Q. Well then, you say the construction at the second location of a similar dam to the one that was intended to be made at the first location in concrete would not have cost more. If that dam had been built at the first location, I mean a similar dam? A. The concrete work would have cost about the same, but there was a great deal of additional excavation entailed by the present location.

Q. What kind of excavation? A. Excavations through this Ontario channel.

Q. That would be outside of the dam? A. Yes, sir.

Q. That is another thing altogether. That has nothing to do with the contract? A. No.

Q. I am speaking of the construction of a dam, nothing else? A. They would have cost about the same thing.

Q. Don't you think that it would have cost less owing to the fact that there would have been ten feet of water less to overcome on account of the coffer damming? A. I do not think so. Well, I think at first sight it would cost less. It would cost less I think.

Q. The second location would cost less than the first location? A. Yes, sir.

Q. Then the second dam was made to cost more on account of the changes that you decided to make? A. Yes, sir.

Q. In order to get more of a flow of water? A. Yes, sir.

Q. I suppose the coffer damming and unwatering would have cost much less at the second location than it would at the first? A. Yes, sir.

Q. What prompted you to make the change of location? It was you who suggested the change, wasn't it? A. Yes, sir.

Q. What prompted you to make it? A. To increase the waterway by carrying the plane of the lake over—

The CHAIRMAN.—He has already explained that.

*By Mr. Ducharme:*

Q. Do you know how long it took to make the coffer damming? A. In the Ontario channel, you mean?

Q. Yes. A. I cannot say.

Q. What Mr. Donnelly says would be alright, I suppose? A. Oh yes, he was on the ground.

Q. What kind of employee was Mr. Donnelly? A. You mean his position, sir?

Q. Was he fitted for the position? A. Oh yes, sir, he is a good man

Q. A competent man? A. Yes, sir, a careful man.

Q. Are you aware that when tenders were called the price mentioned for the coffer damming and unwatering was \$4,000? A. Yes, sir.

Q. Are you aware that price mentioned by Mr. Lumsden was \$54,000? A. I saw that yesterday, sir.

Q. Do you think that the tender made by Lumsden asking for \$54,000 for the coffer damming and unwatering was exaggerated? A. I would have then.

Q. When the dam had gone on and you had started from the Ontario side, is it not the fact that when you reached the Quebec side at the soft portion of it, you would have been able to carry out the same kind of work throughout? A. I think a wooden dam could have been placed across the Quebec channel.

Q. Right through? A. I think so, sir.

Q. What about that part where the water came in? A. Well it might have scoured. I cannot give you an opinion about that. That bottom is irregular. It might have scoured.

Q. Do you believe that the dam would have gone the same as the coffer dam went? A. It might have, sir.

Q. You decided to make a change of location after you made soundings or pits?  
A. Yes, test pits.

Q. What prompted you to make those test pits? A. The idea was to assure ourselves of a depth at which solid rock would be found.

Q. Were there any pits where the old dam was to be built? I saw none on the plan? A. No, sir, I do not think so.

Q. How do you mean? You made pits in order to make the change of location without making test pits at the place where the dam was to be built? A. I am speaking of the present dam.

Q. What prompted you to make those tests and not where the dam had been contracted for? A. I never took any cognizance of the other dam at all.

Q. Why? A. Because I did not like the location on account of this dry channel below.

Q. Were you aware that the contract had been given out and signed? A. Yes, sir.

Q. And signed? A. It was not signed.

Q. You knew the contract was given out? A. Well, yes, yes I knew that.

*By the Chairman:*

Q. What do you mean by saying the contract had been given out? A. I understand that the contract had been awarded.

Q. That is to say they had been told they would be given the contract? A. Yes, sir. I took that for granted.

*By Mr. Ducharme:*

Q. Did you approve of the location on where it was intended to put the first dam? A. No, sir. After examination I did not, sir.

Q. If the location of the former dam had been made so that it would meet in the centre of the island, would it not have been better? A. No, sir, I do not think so. In my opinion the best location is the location we are building at to-day.

Q. That is not what I am asking you. As a general rule, if you had to prepare a plan for a dam, don't you think that using the island as part of the dam would be better than the way it was first intended to put it? A. I don't see any objections to the placing of it further down.

Q. Don't you think it would have cost less? A. Yes, I think so.

*By the Chairman:*

Q. To have placed it further down? A. Yes, sir.

Q. That is all summed up in your statement that you considered the last situation the better of the two? A. Yes.

*By Mr. Ducharme:*

Q. After you made this change in the dam you decided to put it higher up, didn't you? A. You mean higher in elevation?

Q. Yes. Is the dam built to-day higher than the one intended to be built at first?

*By the Chairman:*

Q. Than the wooden dam? A. No, sir, our dam is two feet lower than the top of the wooden dam.

*By Mr. Ducharme:*

Q. So really the top of the actual dam is lower than the top of the wooden dam? A. Yes, sir. We had to be careful about the towns of Liskeard and Haileybury. The Haileybury sewers were involved and the waterworks.



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*By the Chairman:*

Q. But we have some evidence here from Mr. St. Laurent that after the wooden dam was designed it was intended to raise the level of the water about five feet, and the dam was made accordingly? A. Our idea was to make the lake at the upper end not higher than 590. I am speaking of the elevation above the sea, but we are going to reduce the low water level lower than formerly.

*By Mr. Ducharme:*

Q. Is the top of the actual dam higher or lower than the top line of the island?  
A. The top of our dam, sir?

Q. Yes? A. It is higher than the greater part of that island, but it is lower than the higher part of the island.

Q. You had some cribwork to do there, some filling? A. Yes, earth filling right across. That is the reason for that embankment right across.

Q. When I was speaking about the unwatering, there was a tender for \$54,000. There was one for \$15,000, one for \$4,000, and one for \$20,000. Now, which of these amounts would you at the time consider a fair tender? A. I would have been inclined to think the \$15,000 or the \$20,000.

*By the Chairman:*

Q. It was originally intended for a coffer dam for a wooden dam? A. For a wooden dam that would be rather higher.

Q. But for a concrete dam such as you designed later on, \$15,000 or \$20,000 would seem to be a fair estimate? A. Yes, sir.

*By Mr. Ducharme:*

Q. Now when you changed the location of the dam you found it necessary to make a new specification? A. Yes, sir.

Q. You knew that a new specification would increase the cost of the work? A. Yes, sir.

Q. Cofferdamming as well as the concrete damming? A. Yes, sir.

Q. Did you report to that effect to the Deputy Minister, or Minister, or his Chief Engineer? A. I do not find a report covering that, sir. I was under the impression I had, but I don't find the report.

Q. How would the Department come to make such a change? A. Well we had several conversations regarding it. I am sure they would be made cognizant of the fact verbally.

*By the Chairman:*

Q. Of what fact? A. Of the estimated cost of the new dam.

Q. That would include in its figures the estimated cost of the coffer dam on the new site? A. Yes, sir.

*By Mr. Ducharme:*

Q. Do you remember having made those specifications? A. I have a recollection. Either Mr. Matheson or myself made them.

Q. But you know they were made? A. I am pretty sure sir.

Q. You made those soundings in the month of April? A. Yes, sir.

Q. Those tests? A. Test pits, sir.

Q. Were you there in the month of May? A. Yes, sir.

Q. Were you there when Messrs. Kirby & Stewart went there, or Mr. Kirby alone?

A. Oh, yes. I met him on the work two or three times.

Q. Were they made aware of the change of location of the dam? A. Yes, sir.

Q. Did they approve of it? A. Well, I don't know. I did not ask them.

Q. They were made aware that there was to be a change of location in the dam? A. Yes, sir.

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*By Mr. Lake:*

Q. Did they make any protest against it? A. Well, several times I had conversations with them, two or three times I should think, and they objected, my recollection is, to the classification of excavation. That was always their objection.

*By Mr. Ducharme:*

Q. That was not as to location? A. No, but as to the increased excavation.

Q. As a matter of fact they started to work in the month of June? A. I think in May or June.

Q. They say themselves they started in June. They started the work before they had the contract? A. Yes, sir.

Q. Did you give them the order to start the work? A. I do not remember.

Q. Had you issued instructions to begin the work? A. I do not think so, I think verbally.

Q. Cannot you remember that, how they came to begin work in the month of June? A. You see they had already supplied some material previous to my going on the work at all, and then they sent in apparatus in May, I think, April or May, and the work began about June as they state there. They had to put up derricks and one thing and another like that.

Q. Now the contractors say they were advised of their contract being awarded. Were they advised by you, or by whom were they advised? A. By the Department, sir.

Q. Not by you? A. No, sir.

Q. Are you aware that the Auditor General objected to this contract being accepted when the new tender was asked for? A. No, sir.

Q. You are not aware of that? A. No, sir.

Q. In making that filling on the island there, had you to excavate, had any excavation to be made on the island for this filling? A. It was filled from the Ontario channel.

*By the Chairman:*

Q. Had you to excavate the island itself? A. We likely did for a bank key.

*By Mr. Ducharme:*

Q. What kind of soil was it? A. The top was a lot of vegetable mould.

Q. What you call the key would be one foot? A. One, to three.

Q. About six feet wide? A. Something like that, I do not know exactly what was done there.

Q. At all events new specifications and new plans were made before the contract was signed? A. Yes, sir.

Q. And the work started? A. Yes, sir.

Q. You mentioned that you took different levels of the water in the lake? Where did you get that information? A. About the different levels in the lake?

Q. Yes, high and low water. A. We got that from the observations we made in March and from general information got from people in Liskeard and Haileybury.

Q. There is no official record of the different heights of water in different years? A. No, sir, not up to that time, there has not been any record kept up there.

Q. In the first tender there was a schedule of prices annexed to the tender form in which concrete was mentioned? A. Yes, sir.

Q. But on the plan there was no concrete mentioned? A. No, sir.

Q. On the specification there was no concrete mentioned? A. No, sir.

Q. As a matter of fact, in practice, in order to get concrete should it not have been mentioned either in the specification or on the plans? A. Yes, sir, it should.

Q. Otherwise there was to be none? A. I would not say that the fact of mentioning it in the schedule would show that it was contemplated.

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Q. It was a printed form. That is all there was. Nothing to show that it was the special work of the engineers? A. No.

Q. Amongst them there is an item called concrete, but really it does not form part of the specification or the plans? A. Yes.

*By the Chairman:*

Q. You promised me that you would look up to see what by any possibility this word 'concrete' in the schedule unit prices would refer to. Did you find out? A. No, sir. I asked Mr. St. Laurent and he said he did not know about it.

Q. Then having regard to the plans for the wooden plan and specifications and also the tender, you cannot give any meaning to these words 'concrete one, three and five'? A. None beyond that I gave yesterday.

Q. You cannot give us any meaning why these should be unit prices where no such work seems to be contemplated? A. No, sir.

*By Mr. Ducharme:*

Q. Is it not most likely that those printed forms contained extras that might have happened in that work, and those forms were simply put in there as being the nearest forms to apply in this case that the word 'concrete' was not specially put in there but was put there as in the ordinary form? A. I do not know about that. I think these are specially printed for each separate contract.

Q. You think these forms were made for this contract? A. I think so, sir.

Q. Now, Mr. Coutlee, was there any possibility with these plans or specifications of finding out the quantities of concrete that would be required? I am speaking of the first dam. A. No, sir.

*By the Chairman:*

Q. Looking at that original tender form, having regard to the fact that no concrete was specified in the plan or in the specification, wouldn't you think that that merely meant that if some concrete became incidentally necessary, the price would be the amount quoted by them per yard? A. Yes, sir.

Q. That is the interpretation you would put upon it? A. Yes, sir.

Q. If it should happen that some concrete work was necessary in that particular form, the price the contractor would expect would be the price they quoted? A. Yes, sir.

*By Mr. Ducharme:*

Q. If those forms were printed specially for this work, who would be the party who would know? A. I presume the Chief Engineer.

Q. You do not know? A. No, sir, I am not in the Department.

Q. On the Ontario channel works, was there any heating done to construct the concrete dam in the Ontario channel? A. Yes, sir, we put in steam pipes over the top of the concrete there.

Q. Was that put in there before the frost bit? A. Yes, sir, that was done in February of 1910.

Q. When the dam was built there some of the concrete froze? A. Yes, sir, some of the top layer froze. We had very cold weather there for a while.

Q. Was there much frozen? A. Not very much.

Q. Can you estimate the value of the damage that was done? A. No, sir; I may say this, it is possible to lay concrete in the winter time and allow it to freeze. Now that is not looked upon with great favour, and in the spring time you are liable to have the outside edges where it is frozen and thawed disintegrate. But of late years it has been the practice to lay in the winter time.

Q. Did you take it off? A. We took it off around the edges.

Q. Not all? A. Oh, no.

Q. Were you aware then that the time fixed for the ultimate contract was 20th July, 1910? A. Yes, sir.

Q. While you were working at it, from the way the work was proceeding, didn't you understand that they would be over that time? A. Yes, sir.

Q. Did you tell the contractor? A. Yes, sir.

Q. If that contract was to be concluded by the 20th of July, did it become absolutely necessary that a part of the concrete would have to be done in winter? A. Not absolutely.

Q. It is not finished yet? A. No, sir, it is not finished yet. At least I did not foresee a great deal of winter work.

*By the Chairman:*

Q. How do you mean you did not foresee, when you were making your plans? A. Yes, sir.

Q. If they had gone on with their work as they should have gone on from the beginning, there would have been no need of winter work? A. No, sir, I do not think so.

*By Mr. Ducharme:*

Q. In the month of November and December, they had merely started the Ontario channel? A. Yes, sir.

Q. Nothing had yet been done on the Quebec side? A. No, sir.

Q. And yet the whole work had to be finished on the 20th July? A. Yes, sir.

Q. Didn't you foresee there was no possibility of that? A. No possibility.

Q. Well, the contractor must have foreseen that? A. Oh, yes.

Q. From the fact that he had accepted the tender as it was, he must have been aware that he would be required, and would have to do it? A. Well, yes.

Q. When the work of coffer damming the Quebec channel began, was the concrete dam on the Ontario side finished? A. Yes, sir.

Q. There was nothing to prevent the contractor from going on with the coffer dam on the Quebec side while the Ontario channel dam was being completed?

*By the Chairman:*

Q. There was nothing to prevent him commencing the coffer dam anywhere? A. Yes, they could have begun the coffer dam.

*By Mr. Ducharme:*

Q. Could they have proceeded with the concrete work as the coffer dam was proceeding? A. Yes, sir.

*By the Chairman:*

Q. As a matter of fact didn't they make a start with half a dam on the Quebec side at one time? A. Yes, sir.

Q. For the purpose of doing some concrete work? A. That was in the fall of 1910.

Q. Before the whole coffer dam was over? A. Yes, sir.

Q. And you explained that some back water came up and stopped that? A. That was at another stage of the work. That was the low dam.

Q. They did some concrete work? A. Yes, they did some.

*By Mr. Ducharme:*

Q. When the Department agreed to put in the cost of the coffer damming, plus fifteen per cent, how much work was done then?

*By the Chairman:*

Q. On the Quebec side? A. There was none.

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*By Mr. Ducharme:*

Q. At that time the whole Ontario dam was finished? A. Yes.

Q. How much of the Quebec channel was built? A. There was a portion of the coffer dam built about half way out into the channel.

*By the Chairman:*

Q. And some small amount of the concrete done? A. No, sir, it was after this. The concrete on the Quebec side was built only under the protection of the dam they finished in January or February.

Q. All that part? A. Yes, sir, that concrete was laid in the summer, about April.

*By Mr. Ducharme:*

Q. When that was decided was the part of the coffer dam gone then?

*By the Chairman:*

Q. When what was decided?

MR. DUCHARME.—To give the cost, plus fifteen per cent.

WITNESS.—I think there was during October, 1910, a very high rise, and a portion of the original dam was taken out.

*By Mr. Ducharme:*

Q. How much of that was gone do you know? A. It seems to me the outside crib. It would be a matter of 30 feet by 25.

Q. So the fifteen per cent would only apply to the work there at that moment? A. My recollection is that my intention was that the whole coffer damming, that is, including those pits that had been built—I never put very much faith in those pits standing. I thought we would have to overlap.

*By the Chairman:*

Q. So far as you were concerned you intended to recommend that they should be paid for the whole cost they had been put to or should be put to in coffer damming the Quebec channel? A. Yes, sir.

Q. As to what the Minute of Council means, that is a matter for judicial interpretation?

*By Mr. Ducharme:*

Q. At that time when you agreed to grant fifteen per cent to the contractors, were you aware, or were you under the impression, that the contractor was losing money? A. Yes, sir.

Q. Were you aware of it? A. I was under the impression.

Q. If the contractors were then losing money, don't you consider it was their own fault? At that time had the contractor neglected the execution of his contract?

A. Oh, yes, he was behind time.

Q. Much behind? A. Yes, sir.

Q. And part of it on account of having bad men to manage his work? A. Yes.

Q. And partly from his own negligence? A. From need of plant and machinery.

Q. You said he had two good foremen there? A. Yes, sir.

Q. How long were his foremen there? A. These two good men were there while the Ontario work was being done, the work in the Ontario channel, from the fall of 1909 till some time in 1910.

Q. You do not know why they left? A. Well, one man died on the work, the best man died on the work. The other man left to get other employment.

Q. Not the fault of the contractor? A. I do not think so, sir.

Q. Will you kindly read clause 6 of the specification. (Witness reads clause). Would not this clause cover any claim the contractor might make in the name of unwatering or coffer damming? A. It would theoretically.

*By the Chairman:*

Q. Mr. Ducharme was asking a moment ago whether when you recommended that the Government should undertake the cost of coffer damming you intended the fifteen per cent which was allowed to them to apply to all the cost of the coffer damming. Now, as a matter of fact, on examining your report, your recommendation, I find you said nothing at all about fifteen per cent? A. In the recommendation?

Q. In the recommendation? A. I do not remember about that, sir.

Q. I will read your words. These are the words of your letter of recommendation, dated December 13, 1910: "I therefore recommend that the work be continued this winter by hoisting it in as arranged for by Order in Council, and that the Department assume the risk and pay for the coffer dam in the Quebec channel." These are the words, and you see you say nothing there about paying them any plus. Then later, in estimating the probable expenditure at \$20,500, you make no allowance whatever for fifteen per cent. You appear to have made no written recommendation of fifteen per cent. Do you remember making any verbal recommendation afterwards? A. I do not remember it, sir. It is customary to add fifteen per cent to cover tools and superintendence.

Q. I didn't ask whether it was customary. You mean to say that in certain cases, when the Department takes over work, it allows fifteen per cent for expenditure? A. Yes, sir.

Q. But that is a matter of arrangement between the Department, not a matter of right? A. No, sir, a matter of arrangement.

Q. And whether it should be allowed or not would depend on the moral claims of the contractors, wouldn't it? It would be a thing for the Minister to take into consideration and recommend to Council whether, in all surrounding circumstances, they should be allowed a certain amount? A. Yes, sir.

Q. A matter of policy therefore. It might be a justifiable thing in one case and not necessarily a justifiable thing in all cases? A. Yes, sir.

Q. So, so far as you are concerned, you had nothing to do with it in this case? A. No, sir.

*By Mr. Ducharme:*

Q. On 7th November, 1910, you wrote to the contractors that their contract limit was extended to the 31st December, 1910. Do you remember that? A. No, I do not remember.

The CHAIRMAN.—Well, that is so.

*By Mr. Ducharme:*

Q. What was the object in writing him this letter, or do you admit that you wrote the letter? A. Yes, sir. On two or three occasions I got the time extended.

Q. What was the object of writing them on 7th November that the time limit was extended to 31st December, 1910? A. I understand it is very good policy to keep the contract extended that way, that is, not to let it lapse.

Q. You knew at that moment it was really impossible to complete the contract by that time, 31st December, 1910? A. I think that extension was something like six months, I remember giving a few weeks.

Q. That was later on. The dredge *Queen* was working there? A. Yes, sir.

Q. All the time it worked there, did it work for the Government or the contractor, or both? A. It worked for the Department alone.

Q. Was there a man named Rogers on these works? A. Yes, sir.

Q. Wasn't he one of the partners of Kirby & Stewart? A. I do not think he was a partner. He is a connection of Mr. Kirby's.

Q. Was he there long? A. He was there a good deal during the winter of 1910-11.

Q. Wasn't he there in the summer of 1909? A. I do not think so, sir.

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Q. Do you personally know if there was any lumber lost there? A. No, sir.

Q. By the flood taking it away? A. Oh, yes, some of it carried away.

Q. A great deal of it? A. Well, there would be the timber in the part of the coffer dam that went, the timber of the cribwork.

Q. In two instances.

*By the Chairman:*

Q. Both on the Ontario side and the Quebec side? A. On the Ontario side it was blown out purposely.

*By Mr. Ducharme:*

Q. But on the Quebec side it was twice taken away. On the first occasion it was taken away, was there much lumber lost? A. No, on the first occasion there would be a certain amount, not very much. On the second occasion there would be a great deal.

Q. Could you specify the amount? A. I cannot say.

Q. How long will it take before this work is finished, do you think? A. If the present dam holds out, I hope to have it finished by May of this year, or at any rate to have half the dam done and the Quebec channel, and finish it as soon as the spring flood is over. That is my hope.

*By Mr. Lake:*

Q. What do you estimate the whole cost of construction to be since it has been undertaken by the Government? A. That would be outside of their estimate, the work we have done this fall?

Q. Since you have taken it off Kirby & Stewart's hands? A. Since August 11, we have now expended \$50,000, and I should say it will cost \$25,000 more to complete the unwatering and do the excavation necessary.

*By the Chairman:*

Q. How much to finish this dam? A. And to complete the concrete work, about \$45,000.

Q. That is \$70,000 will be expended? \$25,000 and \$45,000? A. Yes, sir.

Q. Is there any other work outside of that that you have not put in these figures?

*By Mr. Lake:*

Q. Will that complete the whole dam from the Quebec side to the Ontario side? A. Ontario is completed practically. In addition there is some excavation to be done on the Ontario side. That would amount to about \$5,000.

*By the Chairman:*

Q. Does that include the widening of the channel? A. Yes.

Q. In your opinion, \$75,000 will have to be expended to complete the work? A. At least that.

Q. Possibly \$100,000? A. Possibly.

Q. That is of course, hoping there will be no more coffer dams going out? A. Hoping there will be no further trouble.

Q. What is close sheet piling? What is meant by that term? A. Close sheet piling is the driving of piles touching one another, that is, they are in contact.

Q. Are they flattened piles or round? A. Yes. Frequently 8 x 10.

Q. Flattened timber? A. In close contact.

Q. Are you expecting to do some close sheet piling on the Quebec side? A. Yes, I think it has begun already.

Q. You mean that piling is to be done on the north side of the concrete platform. A. I think it means extending down into the ground.

Q. As a matter of fact, this piling is to be done at the north edge of the concrete platform? A. Yes.

Q. And also some at the south edge? A. Yes.

Q. To prevent back water? A. Yes, sir.

Q. Now that is a matter first of getting your proper piling and second of driving, isn't it? A. Yes, sir.

Q. Is that done with pile drivers? A. Yes, sir.

Q. Are there any pile drivers on the work? A. Yes.

Q. Did the contractors have them there? A. No sir. we brought them on ourselves.

Q. When? A. This fall.

Q. Was anything of that kind provided for in the contract or specification, or by way of extra? A. I do not think so, sir.

Q. Then you mean to say, in the original contract such a thing was not contemplated? A. No, sir.

Q. It could have been provided for by an independent contract I presume. Suppose that Kirby & Stewart had gone on and finished their concrete work it would be a mere question of giving them the contract to do that work, or it might have been done by some one else, couldn't it? A. It would not have been very good policy to put another contractor in.

Q. Not good policy? A. No.

Q. And consequently, if the contractors were willing to do this at a fair rate, the Department would naturally give them the contract to do it? A. Yes, sir.

Q. Now, some suggestion has been made that a further change in the design of the dam on the Quebec side should be made, a wider opening for the lakes to pass through? A. Yes.

Q. That was a mere question of change in the design? A. Yes.

Q. That would mean giving out a certain amount of concrete work, wouldn't it? A. That would mean rather more concrete.

Q. More concrete? A. Yes, sir.

Q. In which way, explain briefly? A. One pier would be left out, making an opening 45 feet instead of two openings of 20 feet in the pier, but the two piers on either flank of the wide opening would have to be extended down about 50 feet.

Q. You mean to say the pier, one pier on either side of the flank, and that opening would have to be made wider? A. Much wider, yes sir.

Q. Although you cut out one concrete pier, more concrete would have to be added to the other work? A. Yes.

Q. That would be a question of cubic yards of concrete? A. Yes, sir.

Q. And there would be no great difficulty, if you were making the concrete piers there, for the contractors to make those larger piers? A. No, sir.

Q. Now in the Minute of Council which is dated August 11, 1911, I find that Messrs. Kirby & Stewart have represented that it would be: "exceedingly difficult to continue the work under the present circumstances owing to conditions entirely beyond their control." Now what could be meant by such a phrase? A. I do not know.

Q. On August 11 the coffer dam had to be built? A. Yes, sir.

Q. And of course that was difficult work to do, that is, an expensive work to do, but do you know any reason, particular reasons, in the nature of matters, that made it exceedingly difficult to continue the work? A. No, just the difficulties that are always associated with that sort of work.

Q. If those words, "conditions entirely beyond their control" did not refer to their own financial circumstances, you would not know what meaning to place upon them would you? A. No I don't.



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Q. Then this they say: "The close sheet piling proposed in the foundation would largely increase their risks by lengthening the period of difficult work to be done inside the coffer dam." Now inside the coffer dam means below, down the river? A. Between the two coffer dams.

Q. Between them we will say. The work to be done then was concrete work of all kinds? A. Yes.

Q. Putting sheet piling down at either side of the platform, would not necessarily lengthen the period of work if they had enough men to carry on the two works at the same time? A. No.

Q. The sheet piling could be going on while they were putting up the concrete piers? A. Yes, sir.

Q. I suppose as a matter of fact, the first thing in the concrete work is to get your platform down? A. And the cut-off beneath it.

Q. Then you proceed to build your piers? A. Yes, sir.

Q. And when that pier building was going on, the sheet piling could also be going on, couldn't it? A. Yes, sir.

Q. Then he winds up by saying: "The engineer in charge reports that under the circumstances it would be advisable and in the public interest not to proceed further with the construction of the dam as contracted for, and that the contract should be determined at the present stage." In the first place, did you as engineer in charge, make such a report? A. Yes.

Q. Well, he divides it into two parts. Did you report this:

"Not to proceed further with the construction of the dam as contracted for?" A. I think so, sir.

Q. Why not proceed with the construction of the dam as contracted for? What change did you want? A. The difficulty we found in making the cut-off wall beneath the concrete platform—it extends down 10 feet beneath the platform of the sluiceways.

Q. Is the cut-off up stream? A. It is to prevent percolation underneath.

*By Mr. Lake:*

Q. Right down below the foundation? A. To prevent seepage.

*By the Chairman:*

Q. It is situated right under the piers, is it not? A. Yes, it runs lengthwise to the dam.

*By Mr. Lake:*

Q. Across the river one continuous wall underneath? A. Yes.

*By the Chairman:*

Q. Its upstream edge would be directly underneath, the upstream edge of the pier? A. Yes, sir.

Q. Had that been contemplated in the original position, the cut-off wall? A. Yes, sir.

Q. Why did you use these peculiar words: "The construction of the dam as contracted for"? Doesn't that mean not to proceed with the construction of the dam under these contractors? A. I do not know that I used these actual words.

Q. They are in the Minutes of Council. I am asking you whether you recommended that the construction of the dam as contracted for should not be proceeded with? A. I think so, unless where I proposed to change this concrete cut-off wall, to sheet piling in that part.

Q. But still that was a change which, if the contractors had been perfectly satisfactory and had been proceeding with their work, could have been made without departing from the original contract. The contract was susceptible of allowing such a change to be made in design at any time, wasn't it? A. Yes, sir.

Q. And you recommended that the contract should be terminated? A. I think so, sir.

Q. And for all the reasons which you have given us in your evidence? A. Yes.

Q. The Minister's Minute goes on to say after the words I have just quoted. "The security cheque of \$8,000 deposited in connection with the same to be returned to the contractors, and work already performed, materials delivered, and plant supplied, to be paid for". Now you didn't in your recommendation make any reference to the return of the security cheque, did you? A. I might have, I think I did.

Q. Did you make a written recommendation?

The CHAIRMAN.—Witness consulting his letter book says there does not appear to be any report in writing to that effect from him.

*By Mr. Ducharme:*

Q. I ask if you could tell me how much work was done when you received instructions to pay for the cost of the work? A. Yes, sir, that was on 24th January, 1911.

Q. Can you find how much of the work was at that time done? A. The coffer dam was across the channel then, 24th January, 1911.

Q. It was only from the 24th that the contractor should have been paid the cost? A. I do not know how it reads. I always thought it meant the whole work.

Q. You told me that the change of location in order to make excavation to help the flow of the water, made it necessary to make changes in the sluices which increased the cost of that work? A. Yes, sir.

Q. That was for the Ontario channel then? A. Yes, sir.

Q. Would the same thing apply to the Quebec side? A. Yes, sir.

Q. Would you make the same change? A. Yes, to increase the excavation.

Q. Have you an excavation to make there too? A. Yes, there is some there.

Q. How much excavation did you make there in the Ontario channel? A. About 700 feet altogether.

*By the Chairman:*

Q. On the 12th July, 1911, a letter was addressed to the Minister of Public Works, and was signed by the Assistant Deputy Minister, and by you. Apparently, from the typing, it was done in the Department. Amongst other things, it winds up with this, that the security deposited in connection with this contract be returned as there is no default. First with regard to that statement, was this letter prepared by you or by somebody else and signed by you? A. That letter I had forgotten about. That letter was a joint letter from Mr. St. Laurent and myself covering the whole work and reporting in favour of taking it all off their hands.

Q. The point I asked you is, who prepared that letter? A. Now I do not know whether I prepared that letter. I think that letter was prepared in the Department.

Q. I presume you read it over at the time you signed it? A. Yes, sir.

Q. Well what did you mean by saying that the deposit be returned as there is no default? The time had expired, hadn't it? A. Yes, sir.

Q. Technically or theoretically, as you say, there was a default? A. Yes.

Q. While in their manner of conducting it they were very much in default. You are now conscious that you used those words? A. Not that word "default." I don't remember about that, though I remember discussing it.

Q. If you saw them, you didn't take much notice of them? A. I do not think so.

Q. You would not like to say now that there was no default on the part of the contractors, would you? A. No, sir.

Witness retired.

## SESSIONAL PAPER No. 57

F. K. BENNETTS, OTTAWA, sworn.

*By the Chairman:*

Q. What is your position? A. Assistant Clerk to the Privy Council.

Q. At my request, Mr. Bennetts, and by the direction of Mr. Boudreau, what is his position? A. Clerk of the Privy Council.

Q. You have supplied me with certain memoranda by the Minister of Public Works, directed to the Governor General in Council, and with copies of certain Orders in Council based on those memoranda? A. I do not know about the copies of the Orders in Council. We have supplied the memoranda.

Q. You have only supplied us with the memoranda? A. Not the Orders. I understood you had the Orders.

Q. Well with certain memoranda. The first copy is dated November 28, 1908, signed by the Minister of Public Works? A. Yes, sir.

The CHAIRMAN—The following are the memoranda:—

“Report to the Council, 28th November, 1908. P.C. No. 2631½. Received Privy Council Office, 28th November, 1908, or 1st December. Minister of Public Works present. Approved by the Governor General, 18th January, 1909”.

“Report to Council 20th February, 1909, P.C. No. 374. Received in Privy Council Office, 20th February, 1909. Presented to Privy Council, 20th February, 1909 (or 22nd February, 1909). Passed Privy Council, 12th March, 1909: Minister of Public Works present. Approved by Governor General, 13th March, 1909”.

“Report to Council 11th November, 1910. P.C. No. 2287. Received Privy Council Office, 12th November, 1910. Presented to Privy Council 12th November, 1910, or 14th November, 1910. Passed Privy Council 21st December, 1910. Minister of Public Works present. Approved by the Governor 22nd December, 1910.”

“Report to Council 4th January, 1911. P.C. 51. Received in Privy Council 12th January, 1911. Presented to Privy Council 12th or 13th January, 1911. Passed Privy Council 20th January, 1911. Minister of Public Works present. Approved by the Governor General, 24th January, 1911”.

“Report to Council, 5th August, 1911. P.C. No. 1847. Received in Privy Council Office, 7th August, 1911. Presented to Privy Council 10th August, 1911. Passed Privy Council 10th August, 1911. Minister of Public Works not present. Approved by the Governor General, 11th August, 1911”.

*By the Chairman:*

Q. You have provided with relation to each of those memoranda a report showing when it was received by the Privy Council? A. Yes, sir.

Q. When presented to the Privy Council? A. Yes.

Q. When it passed? A. Yes.

Q. And whether the Minister of Public Works was present or not? A. Of course you notice there are two dates for passing.

Q. Take this memoranda dated 28th November, 1908? A. It was presented to the Privy Council on the 28th November, 1908. There was a meeting held on the 28th November, 1908, and if we received that memoranda late in the day it would not go before that meeting. It would not be possible to put it before that meeting. But it certainly went before Council, either on that day or at the first meeting thereafter, which was on the 1st December, 1908. It passed the Privy Council on the 15th January, 1909. The Minister of Public Works was present on that day. It was approved by the Governor General on the 18th day of January, 1909.

Q. It was presented to Council on the 28th November or 1st December? A. Yes, that is our memorandum.

Q. It passed the Privy Council on the 15th January, 1909, and the Minister of Public Works was present, and was approved by the Governor General on the 18th January, 1909.

*By Mr Lake:*

Q. Is the date of Order in Council the date on which it passed the Privy Council, or the date on which it received the assent of the Governor General? A. The date on which it received the assent of the Governor General.

Q. That is always the case? A. Always the case, invariably. The other date is never mentioned. The other date is never known outside the Privy Council.

Q. The date of the Order in Council is the date on which it receives the assent of the Governor General? A. Yes, sir.

*By the Chairman:*

Q. You have prepared these memoranda from the records of the Department? A. Yes, sir.

And they are correct? A. They are, sir.

Q. I suppose you make a duplicate in every case? A. We have compared them to-day with the report of the Minister of Public Works and the original Orders in Council. There is no difference in any way, except in this one, No. 51.

Q. What is the date? A. January, 1911, some time.

Q. That is a memorandum dated 4th January, 1911? A. This was a very long memorandum. There is more in this than there is in that.

Q. A long memorandum from the Minister? A. We cut that down a little in presenting it to Council, but when we presented it to Council, when we presented the Minute to the Council, we attached this memorandum, so that all the information might be before Council. So while that Minute is not full—

Q. You mean, while the Minute of Council is not so full as the Minute by the Minister? A. The Minister's report was placed before Council and all the information was therefore given to Council just the same as if the entire information had been embodied in this Minute. The Public Works Department seemed to be quite satisfied with the Minute so consequently we allowed it to stand.

Q. The Public Works Department seemed to be satisfied with the Minute made in the form of a report to Council? A. Yes, sir.

Q. And cut it down to make it shorter? A. Shorter.

Q. As a rule the Minute which you prepared in your office is based upon the Minute sent in by the Minister? A. Yes

Q. And follows it as closely as possible? A. Word for word

Q. But sometimes, as in this case—A. If very long, we may abbreviate useless recitals. This recites a whole lot of things that have been recited a good many times.

Q. Therefore you abbreviate. But whenever you abbreviate in that way, you attach the Minute itself made by the Minister? A. Certainly.

Q. So that Council would always be in possession of what the Minister had said? A. Yes, sir.

*By Mr. Lake:*

Q. In any copies of Orders in Council supplied by you to the Departments, you would be very particular to have all the stops exactly as they appeared in the original Order? A. As a matter of fact, our copies are generally carbon copies of the Order, that is, they are simply the same thing.

Q. All your copies are certified? A. All our copies are certified and signed.

*By Mr. Ducharme:*

Q. The Order in Council, or rather the memorandum, is prepared by the Deputy Minister?

The CHAIRMAN.—The Minister's memorandum. Mr. Ducharme means?

WITNESS.—I presume so.

Witness retired.

SESSIONAL PAPER No. 57

OTTAWA, FRIDAY, February 2, 1912.

The Commission met at ten o'clock this morning.

PRESENT.

Honourable A. B. MORINE, K.C.,  
*Chairman.*G. N. DUCHARME, Esquire,  
*Commissioner.*R. S. LAKE, Esquire,  
*Commissioner.*

R. J. ROBILIARD, Ottawa, sworn.

*Examined by the Chairman.*

Q. What is your official position? A. Chief Draughtsman Department Public Works, Engineers Branch.

Q. Do you remember the Lake Timiskaming Dam? A. Yes, I remember it in a way. I remember it went through my hands as far as specifications are concerned, but it is so long ago.

Q. Did you have anything to do with the original specification for the wooden dam? A. No, sir.

Q. Would you produce the forms to be used by tenderers in tendering for the work?

The witness produced three forms marked as Exhibits Nos. 1, 2 &amp; 3. Exhibit 1, a printed form of a tender to be made by persons desiring to contract for a bulk tender. Exhibit 2, practically the same as far as the wording, except that at the bottom there is another clause to be used if there is a schedule to be attached. Exhibit 3, a form of tender where the prices are to be known as unit prices.

Q. In your position in the Department you have to deal with the forms of tenders? A. Forms of tenders,—I verify them to see that everything corresponds with the plans.

Q. That is generally your work there? A. I prepare the plans. Besides that I see about the preparing of plans and things like that. I have a certain number of men there.

Q. That is a general description of your duties? A. Yes, sir.

Q. By the word "plans" you refer to the drawings which are made? A. Yes, sir.

Q. By the word "specifications" you refer to the quantities and kind of work that is to be done? A. Yes, the kind of material used, the mode of construction, the length of the work, the breadth, and the way it should be done generally.

Q. When tenders are to be asked for, the plan or plans are made, specifications are drawn up, and the person desiring to tender can see those plans and specifications at the Department, and he can procure at the Department the printed form of tender which has been provided for? A. Yes, sir.

Q. Form 1 which you have put in is a form used for bulk tenders? A. Yes, sir.

Q. Form 2 which you have put in is another kind used for bulk tenders, but it has attached to it a schedule of prices? A. Yes, sir.

Q. In that Form the bulk sum is intended to cover all the work which is shown by the plan and by the specification? A. Yes, sir.

Q. And the schedule of prices is merely for extra work which is not shown either on the plans or specification? A. Exactly.

Q. And which may become necessary in the course of the work? A. Yes, sir.

Q. Exhibit No. 3 is a Form of Tender, where the prices are to be known as unit prices? A. Approximate quantities are given.

Q. As part of that Form of Tender a schedule of prices is given, in which there is a description of the work, and the approximate quantities, and blank spaces for the tenderer to fill in the rate per unit which he will ask for the different descriptions of work. In that latter case, Exhibit 3, what a man tenders for is the unit price? A. The unit prices. Yes, sir.

Q. The quantities are only approximate? A. Yes, sir.

Q. And of course will be varied in the actual work, but it is not the intention that the price per unit may be varied? There may be a variation in the quantity, but not in the price? A. Yes.

Q. And the total price that a man receives under that tender will later on depend on the unit prices paid for the quantities which the work has really amounted to? A. Yes, sir.

Q. In making up after tenders have been received, and are opened, and your memorandum is being made up in order that tenders may be awarded, what you do is to apply the unit prices quoted in the tender to the approximate quantities given in the tenders? A. Exactly.

Q. And the result shows what the total charge will be? A. With that part of the work I have nothing to do whatever.

Q. I am asking as to the method; you know enough of the system to know that is the method? A. I know that is the way it is done.

Q. Have you any other forms of tender that you wish to show me? A. These are simply extra copies of the forms I have put in.

Q. You told us that in general practice the plans are provided by the resident engineer? A. Yes, sir.

Q. And of course are criticised in the Engineers Department here? A. Yes, sir.

Q. And changed or corrected as they like? And then the quantities, where are they worked out? By the resident engineer? A. The quantities are given by the resident engineer when there is a schedule attached to it in the form of tender.

Q. In the form of tender the quantities are those which the resident engineer has worked out, and which have been checked in the resident engineer's department? A. We do not generally check them, because we have no means of doing so.

Q. Who decides whether the tender shall be asked for in a bulk sum or a unit price? A. I do not know generally who does that, but the engineer sends in his specification, and the specification says it is to be a bulk sum, and if not it is to be on a unit rate.

Q. The engineer says that? A. The district or resident engineer who puts that in the specification, and I give it on the proper form of tender.

Q. When you say you give this it comes from the resident engineer to you? A. It comes from the resident engineer to the Chief Engineer, and the Chief Engineer sends them up to me.

Q. When you are told to provide for tenders you get your directions from the Chief Engineer? A. Yes, sir.

Q. Always? A. If he wants to change to a bulk sum or to a schedule or anything like that if he prefers it should be done by schedule rate the Chief Engineer would tell me otherwise I go generally by the specification made by the district engineer which is sent to the Chief Engineer in the first place, and sent me afterwards.

Q. But when it comes to you it always comes from the Chief Engineer's office? A. Yes, sir.

Q. Consequently if he forwards on the specification as the resident engineer has drawn it up you have got your order really from the Chief Engineer's office to make it in that form? A. Yes, sir. Although he does not tell me it is understood.

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Q. Well that is the result, because by sending it on he has enclosed it? A. Yes, sir.

Q. Merely if he wants a change he orders you to do it? A. Yes, sir.

Q. Then, as far as you are concerned, you are merely carrying out the orders, implied or positive, of the Chief Engineer? A. Yes, sir.

Q. Had you anything whatever to do with asking tenders for the Timiskaming Dam matter? A. No, sir.

Q. Do you know who had? A. It is so long ago I cannot recollect exactly how the form was made. So many pass through my hands. I know it must have gone through my hands, because they generally do. It came to me, sent, I understood, by Mr. Perrault, but I cannot recollect.

Q. What was Mr. Perrault? A. He was sent out there I understood although I did not get anything official from anybody, I have been told that Mr. Perrault had been sent up there since—

Q. Mr. Perrault was working under Mr. Brophy, was he not, on the Ottawa River Works? A. He was working on the Georgian Bay canal, he was on the staff of the Georgian Bay canal.

Q. You say that it came to you from Mr. Perrault? A. No. it came to me from the Chief Engineer, but I understand Perrault must have sent it to the Chief Engineer, because they were his own plans.

Q. They were Mr. Perrault's plans? A. Yes, sir.

Q. I want you to speak to what you know? All you know is that in anything you had to do with tenders for the Lake Timiskaming Dam matter you acted on instructions received from the engineer's office. A. Yes, sir.

Q. You would have the original papers up there in the Department? A. No, sir.

Q. Where would they be? A. Well they are destroyed. These are old forms; the forms of all the original specifications pile up and fill a room in no time, coming from all over revise after revise, and I kept one year back generally.

Q. But you do not destroy plans of one year back for the work that is in progress? Do you? A. Oh no.

Q. This Timiskaming Dam is not finished yet? A. I know, but it has taken so long. I do not know how it was the printed forms are there.

Q. This work was only commenced in the latter part of 1908. We are now entering on 1912. It is only a little over three years since the work commenced. Surely you do not destroy the original specifications of work in progress? A. These happen to be destroyed. I have hunted for them.

Q. You say they must have been destroyed since you cannot find them? A. No, they must be destroyed, because I have a desk in my office for these specifications alone. The original specifications and the revises pile up so that when the drawer is filled up I destroy one year back. I did not understand that this work had not been done. I did not know anything about the dam not being completed. I do not know any more after the specification is given out, the contract has been made, and to whom it has been given, and when it has been completed we never get any news of that any more. I expected it was completed.

Q. In the original specification which has been supplied by the resident engineer, upon which tenders are asked for, surely they should be preserved until the completion of the work and the payment has taken place. Important questions of fact might arise? A. I thought it was sufficient that I signed in the Department for the specification. That gives a copy of the original with 'correct' and then they have printed forms. Thus I did not think the old original would be of any use.

Q. For the wooden dam in that matter there was used in fact a form in the shape of Exhibit No. 2 supplied by you here to-day, that is to say for a bulk sum, with a schedule of unit prices.

The witness is shown tender by Kirby & Stewart, dated the 19th of November, 1908, for \$76,000.

Q. That tender by Messrs. Kirby & Stewart is what you call a tender for a bulk sum, with a schedule of prices attached? Yes, sir.

Q. That is the prices to be applied to extra work? A. Yes, sir.

Q. And is exactly the form of Exhibit No. 2 which you have put in here to-day? A. Yes, sir.

Q. Well now in placing a form of tender before contractors you would be acting in the manner you have described as the result of directions received by you through the Chief Engineer's office? A. Of course I do not exhibit these afterwards. I have only the preparation of them, and then they go to the printer, and once they are printed they come to another office, which takes charge of these and distributes the specifications.

Q. Which office is that? A. Mr. Mackay now. It was then Mr. Coleman.

Q. Where is Mr. Coleman now? A. Assistant Secretary of the Department.

Q. And would Mr. Coleman have the placing of these forms before tenderers who came in? A. Some of them, and I go sometimes and get them from the room for a contractor, and take his name and address.

Q. When you say you prepare these forms, as a matter of fact your Department keeps printed forms of this kind on hand usually, does it not? A. Yes, sir.

Q. When you receive specifications from the Chief Engineer's office for a particular work, and a particular kind of tender form is to be used, how is it indicated by him as to what form of tender is to be used? A. It is indicated in the specification. It mentions for a bulk sum generally sent in by any district engineer. Then I prepare a form according to Exhibit 1 for a bulk sum.

Q. The specification would exhibit it? A. The specification mentions that.

The witness is shown the specification to the contract made by Kirby & Stewart, 27th July, 1909, and the Chairman states to him (relying on the evidence of Mr. Coutlee) that the first part of the specification attached to the contract was taken bodily from the specification which was used when the original tenders were asked for the original dam.

The witness says paragraph 6 as to price contains the words 'the price stated by the contractor in his tender' &c., &c., is the form always used with a bulk contract.

Q. And these words in the specification would indicate to you in your office that you were to prepare papers for a bulk tender? A. For a bulk tender, otherwise it would mention for a schedule.

Q. Then you say, looking at this specification which the engineer provided that that was the specification intended to be applied to a bulk tender? A. Yes, sir.

Q. According to the forms in use in the Department? A. Yes. Of course this special one which was sent me had a schedule list attached to it, because I would not have had it printed myself.

Q. And you say that when the original specification for the wooden dam was sent to you it had a schedule of prices attached? A. Yes, sir, asking for prices on it.

Q. Asking for prices? A. For prices, yes, on different kinds of materials, on different items.

Q. In the form which is used in Exhibit No. 2 for extra work? A. Yes.

Q. Such a schedule for a bulk sum when it was furnished to you would not contain the approximate quantities worked out? A. No.

Q. That is only used in Exhibit No. 3 where you are asking for unit prices? A. For unit prices.

Q. Approximate quantities would not be furnished to the Department where a bulk sum was desired? A. Well, sometimes they do.

Q. Merely by way of information I suppose? A. Well, it is left in the form of tender in case some extra work, some change of some kind, might come along, or more quantities be necessitated by the change.



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Q. I here show you the file containing the tender for dam, &c., put in by Kirby & Stewart, dated 19th November, 1908, and already shown to you. That form of tender is the same as Exhibit No. 2 which you have put in? A. Yes, sir.

Q. And you will notice that in due course it has a schedule of prices to it? A. Yes, sir.

Q. In that schedule of prices there are no approximate quantities, no quantities are given, and there is no provision even by a blank form, no schedule for approximate quantities? A. Well this one here (indicating).

Q. There is a form, the word 'quantity' is placed on one line, but the approximate quantities are not provided? A. They are not provided, no.

Q. While in Exhibit 3, where unit prices are to be asked for, the approximate quantities are printed in the form of tender? A. They are modified for different works.

Q. I am speaking now of your usual practice? This tender form actually signed by Kirby & Stewart is a tender form for a bulk price, is it not? A. Yes, sir.

Q. And the prices quoted under the head of 'schedule' are intended merely for extra work as set out in the form itself? A. Yes, sir.

Q. You notice that in the tender signed by Messrs. Kirby & Stewart there is an insertion in the description of work in the schedule of two items of white pine? A. Yes, sir.

Q. And the same things appear in the tender by Mr. Rainboth, and also in the tender by Mr. Lumsden, but it does not appear in the tender by Mr. Conroy? Where would that change be made do you presume? A. I could not tell you.

Q. Do you recognize the writing in the figures in Lumsden's tender? A. No, sir, I do not know that writing.

Q. In Kirby & Stewart's tender the words 'white pine' are printed in ink, and it is impossible to say whether it was written by the person who wrote the words in the other two tenders? A. Yes, sir.

Q. And you cannot explain why it happened to be omitted in the Conroy tender? A. I cannot.

Q. And you do not recognize the writing in the other case? A. No, sir.

Q. In Lumsden's tender the amount given for 3 x 12 white pine is \$6,048. In Rainboth's tender for the same thing, \$13,500, and in Kirby & Stewart's the amount is not carried out? A. Not carried out. No.

Q. Then you say from this specification and from the practice of the Department and usual method in such circumstances that asking for tenders for that wooden dam according to Exhibit No. 2 and in the form in which the tenders were actually asked for was the correct thing to do? A. I suppose so.

Q. I mean to say correct as a matter of procedure through your Department? A. I could not answer that.

Q. The specifications for the wooden dam which you have been shown call for a bulk tender? A. Yes, sir.

Q. The form of tender which was actually placed before the contractors was bulk tender? A. Yes, sir.

Q. The form of tender which was actually used was the right form of tender for the specification which was provided? A. Yes, sir.

Q. And you do not know personally of any mistake having been made in that matter? A. Not that I recollect of.

Q. Mr. St. Laurent has said that through a clerical error a bulk tender was asked for when unit prices should have been asked for? Now you are not guilty of any clerical error in that matter, as far as you know? A. I do not recollect it. I had not been told to make it in any other way.

Q. You have never heard of any clerical error in connection with it? A. No, sir.

Q. You were never reprimanded for having made an error in that matter? A. No, sir.

*By Mr. Ducharme:*

Q. Mr. Perrault is not with you? A. Oh, no.

Q. Those forms you have just produced have been in use in the Department for how many years? A. Ever since I have been there. I have been in the draughting room now for about 12 to 14 years.

Q. Are they still in use? A. There was some change. This new form of schedule rate has been introduced by Mr. St. Laurent in the Department.

Q. When? A. I cannot say exactly.

*By the Chairman:*

Q. Which do you mean? Exhibit No. 2 or No. 3? A. We used formerly to do most of the works in bulk. This schedule of unit prices was introduced a few years ago.

Q. The schedule giving unit prices attached to a bulk tender? A. No, I mean the unit prices with bulk, Exhibit 3.

*By Mr. Ducharme:*

Q. Those No. 3 forms have been in use about how many years? A. I could not recollect exactly. Just about four or five, perhaps six years. I cannot tell exactly.

Q. Did you say that those specifications prepared by you were then printed? A. They were not prepared by me.

Q. You receive them? A. I receive them from the engineer, and I verify them if they agree with the plan. I make all corrections in them, orthography, &c., and I send them over to the Chief Engineer's office, and they are transmitted from there to the stationery office in our Department, and from there to the Printing Bureau.

Q. What was it you burned every year? A. Old forms like this. The originals along with the revises. I have carloads of them. I have no room, I have to burn them sometimes.

*By Mr. Lake:*

Q. It is not the original specifications which are burned. A. About this, I never get any more news about dams. I expected that work had been done long ago.

*By the Chairman:*

Q. What you burned up was the actual copy for the specifications sent in by the engineer? A. Yes, with the revises besides that, and all other proofs.

Q. The corrected copy, as we call it in printer's terms? A. Oh, yes, the corrected copy.

Q. The copy supplied by the resident engineer, with your corrections marked on it? After that has been printed, and the printed form is ready then you destroy these other corrected specifications? A. Not then sir, about a year or so after.

Q. When you say the original specifications were burned up you mean those which the resident engineer had supplied, do you mean? A. Yes, sir, and the others also.

Q. What others? A. The revises of all these.

Q. You keep in your Department, and subsequently burn, what has been received from the resident engineer? A. Yes, sir, that is all.

Q. And what you send up to the printer is a copy made in your office? A. It is a copy from this original.

Q. The copy is made in your office? A. The copy.

Q. What you send to the printer is made somewhere? A. It is made at the printer's office.

Q. Then how do you get the specifications back again? A. I get a revise as shown as soon as they are printed.

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Q. You get the revise back? What is it you burn? A. I burn these revises, all revises, with the original specifications received from the district engineer.

Q. You told us you send that original specification out? How do you get it back? A. I do not send the original out.

Q. I asked you, and you said you did? A. Perhaps I did not explain properly in the first place. There are two, they are made in duplicate. I keep one, and one is sent out.

Q. And the one that is sent out, what becomes of it? A. It goes to the printer, but I do not know what becomes of it afterwards.

Q. What you keep is the duplicate that has been supplied? A. A duplicate.

Q. And you destroy that later on? A. Later on.

*By Mr. Ducharme:*

Q. Are you in a position to say that this was a bulk contract? A. According to what I see in the form here it was bulk.

Q. And from the fact that in the printed form attached to this tender that white pine was not mentioned? A. No, I did not see that at all. Only the printed matter that was in them.

Q. As a matter of fact it was not put there in print? A. I do not know who put it there.

Q. As a matter of fact it was not printed in the form. It does not show that it was a part of the type. If it has been a unit price it would be mentioned? A. It was a bulk contract according to the specification.

*By the Chairman:*

Q. In connection with the tender for the wooden dam at Lake Timiskaming did you personally supply any information to any of the tenderers? A. No, sir.

Q. You are sure about that? A. Yes, sir.

Q. To what official in that case would they apply for copies of the tender forms, and for the specifications? A. For tender forms some of them come in my office, and some go direct to the stationery office of our department.

Q. What is the regular place to supply it? A. There are only those two places. They are supposed to apply to the Secretary, but this is not done most of the time.

Q. They go for the tender forms either to your office or to the stationery office? A. Plans are exhibited in my office. I do not get the specification.

Q. The plans are exhibited in your office? A. Yes, sir.

Q. And the specifications are exhibited in your office? A. Yes, sir.

Q. If they wanted to know anything about quantities or materials to be used they would have to ask in your office for that information? A. They have to take that themselves. Take it all for themselves. We do not give any quantities.

*By Mr. Lake.*

Q. If the specification apparently is not quite clear in its nature? A. They might ask me any questions to make it clear, the way it is understood, but as far as supplying quantities or anything to the contractor that is not done.

*By the Chairman:*

Q. In the price list attached to the tenders for the wooden dam, there is item 22 'concrete 1, 3, 5 in foundation.' If a tenderer wished to know what quantity of concrete there would be in the work where would he find that indicated, or the materials upon which he could make up the quantity? A. He would have to measure that off the plans to scale it.

Q. To scale it off the plan, so that if there was to be any concrete in the work it would be shown on the plan. A. Yes.

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Q. And would there be a reference in the specification to concrete? A. There would be generally, but I think there was no concrete shown on the plan for the wooden dam.

Q. Look through the old part of the specification which was used in the contract actually signed and see if you can find any reference to concrete? A. No, sir.

Q. I show you the plan for the wooden dam. Is there any concrete shown in that plan? A. Not that I see.

Q. And can you from your experience suggest where concrete would appear to be necessary to a contractor? A. I cannot see either by the plan or the specification where concrete would appear.

Q. Consequently he would either have to ask for information, or he would have to do without information. A. There is nothing in the specification or plan to indicate that.

Witness retired.

EDWARD PERRAULT SWORN.

*By the Chairman:*

Q. You reside in Ottawa? A. Yes, sir.

Q. You are employed in the Public Works Department? A. I am.

Q. In what capacity? A. As engineer.

Q. In the Chief Engineer's office? A. On the Chief Engineer's staff.

Q. What are you named in the Civil Service list as? A. As Assistant Engineer.

Q. How long have you been in the public service? A. Since 1904.

Q. To what position were you appointed then? A. In charge of a section of the Georgian Bay Canal Survey.

Q. Prior to that where had you been employed? A. I was employed by the Ontario Government as Assistant Chief Engineer in the construction of the Timiskaming railway.

Q. Then in 1904 did you have an intimate connection with the Georgian Bay project? A. I had until the completion of the surveys.

Q. When? A. In 1904 I went right on with the work in charge of section No. 7.

Q. When were the surveys completed? A. In 1907 practically.

Q. Amongst other things did you have anything to do with the inquiries and plans for the Lake Timiskaming dams? A. I had, I was instructed to report to Mr. George P. Brophy, Superintendent of the Ottawa River Improvements, in August, 1908. Mr. Brophy instructed me to prepare plans for a wooden dam on Lake Timiskaming which I did.

Q. And for the purpose of preparing these plans did you make surveys of the country? A. No, surveys had been made under Mr. Brophy previous to that, extensive surveys and the plans that Mr. Brophy furnished me showing soundings, showing the location of the dam were practically complete so practically what I had to do was to draw the dam.

Q. Then your work was office work? A. Practically.

Q. And it was done here in Ottawa? A. Yes, sir.

Q. From the data supplied by Mr. Brophy? A. From Mr. Brophy's data.

Q. Then is the plan which I now show you, your work? A. Yes, sir.

Q. That is a plan signed by Mr. Lafleur, the Chief Engineer but actually prepared under your supervision? A. Yes, sir.

Q. And with regard to the small drawing at the top showing the location of the proposed dam to the island, was that from data supplied to you? A. Yes, from data supplied to me.

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Q. And the drawings of the islands and all that kind of thing were all taken from Mr. Brophy's plans? A. It was taken from the plan prepared under Mr. Brophy. It is on a smaller scale.

Q. Had Mr. Brophy prepared a plan of the dam showing the construction of the dam or simply a plan showing the location he proposed? A. There was a plan of Mr. Brophy's prepared under Mr. Brophy previous to that showing the location of the dam where this plan shows it and also I had made a report.

Q. And did that plan which we are now talking about also show as this does, the construction of the dam? A. Oh, no.

Q. It was only a plan of the location? A. Yes.

Q. There was also a report? A. Yes, to the Minister of Public Works by Mr. Brophy upon this survey for the proposed dam at Timiskaming.

Q. You were not responsible for the decision to locate the dam in that particular place? A. Well, in a certain sense, I was. I was instructed by Mr. Brophy to go and see the location and find out for myself if it was a suitable one. I did so, and reported to Mr. Brophy that I thought it was the best one there.

Q. Does the plan of that dam show any provision for concrete? A. No, sir.

Q. Have you anything to do with the specifications which were drawn up and accompanied the forms of tenders? A. I had.

Q. What had you to do with it? A. I made the various items included in the specification.

Q. You made up the specification, did you? A. Yes, I made up the specifications.

Q. I show you the first specification to the contract of July 22, 1909. Is that the specification to which you refer? A. I could not tell you unless by the date.

Q. This was the specification for the wooden dam? A. Well, that is the one I drew up, the specification for the wooden dam which was used at the time the tenders were given for the wooden dam was shown to the various tenderers.

Q. And did that specification call for any concrete? A. I think there was an item for—

Q. Is there anything in the specification about concrete? A. No, not that I remember.

Q. But in the form which tenderers were invited to sign, and which forms were for bulk sums, there was a schedule of prices for extra work? A. Yes, sir.

Q. And in that schedule item 22, is "Concrete, 1, 3, 5, in foundation." Would there be anything laid before these contractors to show them what quantity of concrete would be required? A. No, there was not.

Q. Can you tell me why Item 22 was put there? A. It was in case that in the foundation, though the figures given me on the plan showed the foundation is rock, when they came to build the foundation there might have been some fissures in the rock wherein the concrete would have to be used to fill these interstices and that is why that item was put in.

Q. That formula, 1, 3, 5 is for a pure concrete? A. Yes.

Q. And such a concrete as you would be using just in foundation work in the way you described for filling up places? A. Yes, it is a very good concrete.

Q. But there are other mixtures of concrete? A. Yes.

Q. And in large works for piers, or possibly for a platform upon which piers were to be put, the mixture might be different? A. Yes.

Q. And might there be a more expensive mixture than 1, 3, 5? A. Not in large quantities. In large works such as you mention the proportions of rock would be larger there would be perhaps some large stones used as matrix.

Q. What they call commonly plums? A. Yes, but that 1, 3, 5 is considered very good.

Q. In the mixture of more rock of the kind you describe the price would be cheaper? A. The prices would be cheaper.

Q. In the form of tender used in connection with the wooden dam for a bulk sum, if any concrete were found to be necessary, as it did not appear either in the plan or specification, it would be an extra would it not? A. It would be.

Q. And presumably from the plans you have before you and from the data, it could only be necessary in small quantities? A. Yes, it would be in small quantities.

Q. No large amount of concrete work was contemplated? A. No it was not.

Q. You remember the occasion when tenders were asked for the wooden dam at Timiskaming? A. I do.

Q. Was the plan kept in your office? A. No, it was sent to the Chief Engineer's office.

Q. Where was your office at the time? A. On Sparks St. here.

Q. Did the plan go back to your office from the Chief Engineer's office? A. It did not.

Q. Mr Rainboth states here today that he thinks he saw the plan and specifications in your office on Sparks St.? A. That is previous to the tenders, before the tenders were awarded.

Q. That is what I was talking about. I mean to say that when persons were contemplating making tenders and were looking for information, was the plan in your office? A. It was.

Q. And the specification also was in your office? A. No the original plan was in my office.

Q. What do you mean by the original plan? A. You have it, the plan made on paper. The plans were supposed to be seen at the Chief Engineer's office in the West Block. These plans were all sent to the Chief Engineer's office but notwithstanding that I had a copy in my office from which many tenderers could get information.

Q. The tenderers could get information either at your office or at the Department? A. Or in Toronto at the office of Mr. Sing, the District Engineer.

Q. If it were in the mind of any person at the West Block to change from wood to concrete, at that time, did you know anything about it? A. I did not.

Q. And therefore if tenderers could hear about such a possibility at all, it would be at the West Block they would get their information? A. I do not know where it would be, I know that as far as I was concerned, I did not know there was any such intention.

Q. And would you describe yourself as the Engineer in charge? A. Engineer in charge of those plans at that time.

Q. A person desiring to tender, and looking at item 22 of the schedule of prices, "Concrete 1, 3, 5 in foundation," how would he ascertain what was meant by that term? A. Oh, well, I think any tenderer on that class of work would know that concrete to a certain amount would have to be used, because in order to have a dry foundation.

Q. It would have to be used in the manner you have described? A. Yes.

Q. What you mean is that persons acquainted with the character of the work would understand from the words "in foundation" what was meant was the kind of work you have just spoken of in filling up interstices of one kind or another in the rock? A. Yes.

Q. And those words "in foundation" then would not mean that concrete was to be used in any large quantity in the building of the work? A. No.

Q. They would not understand that the foundation itself was to be a concrete foundation? A. No.

Those words "concrete 1, 3, 5 in foundation", would not cover for instance the platform upon which a dam is sometimes put? A. No, the plans do not show so.

Q. And certainly would not cover concrete piers? A. No.

Q. Would a quotation for concrete to be used in that way and in that limited quantity be ordinarily any fair measure or index of what a contractor would desire for a large concrete structure? A. No. That is, if it was intended to be a very large

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quantity, a tenderer I should think would make his price a little lower. In this case I think that the tenderer might claim also that owing to the very limited quantity it would perhaps cost him much more to bring that small quantity of cement or having to excavate stone and getting sand, might also consider it entitled him to a higher price.

Q. A higher price for the smaller quantity? A. Yes.

Q. You may lay it down as a general rule that the smaller the quantity the higher the price? A. Yes.

Q. Taking unit prices, there cannot be any question that the unit price for a concrete dam would be smaller than the unit price for concrete in foundation? A. To my mind it would be lower.

Q. Because, in the first place, a large quantity of cement means generally a lower price per barrel? A. Yes, and of transportation, &c.

Q. Then again, a large quantity of cement means mechanical means in mixing, and all that sort of work. Later on you were asked by the Department to provide calculations of quantities for a concrete dam? A. I was.

Q. That was at the outset a concrete dam, concrete replacing wood in the same dam in the old location? A. Yes, sir.

Q. And how did you arrive at the quantities in such a case as that? A. You take that old plan of a dam of wood and you start to calculate quantities of concrete in that structure. How would you do that? A. Well, I calculated, if my memory serves me right, the replacing of the various piers, wooden piers, by concrete piers, and calculated to change in sizes, &c., owing to the fact of concrete being the material to be used, the quantity that would be required and also replacing this wooden part in the foundation by concrete.

Q. That means that you had to lay down for yourself the number of piers which would be necessary in case a concrete dam was designed? A. It was.

Q. Would that number of piers be the same as the wooden piers? A. If I remember right, no, sir.

Q. Then again, the size of the concrete piers would be very different from wooden, would it not? A. Very much different.

Q. And you had to lay that down for yourself? A. Yes, sir.

Q. What you had practically to do was this: You said, if I were putting a concrete dam there, in place of wood, what height and width and breadth of concrete would I require, and how much concrete would I put into the foundation—and so you arrived at the quantity? A. Yes, sir.

Q. And all that, therefore, would be just a matter of calculation by yourself? A. Yes, sir.

Q. There was no plan to show it at that time or anything of that sort? A. No, sir.

Q. Having arrived at the quantities in that way you proceeded to calculate what the cost of a concrete dam would be at the prices per yard of concrete, which had been given in the original tenders for a wooden dam, and this document dated January 14, 1909, showing that the dam, if constructed of concrete, would cost \$108,582, was your calculation, arrived at in the manner described, applying to the quantities the prices given by Messrs. Kirby & Stewart? A. Yes.

*By Mr. Ducharme.*

Q. Did you know of the change of location of the dam? A. I understand there has been a change, I have not seen it.

Q. You are not sufficiently familiar with the surroundings of the place there, to give from memory an opinion on the propriety of the change? A. I could not tell you because I do not know where the change has been.

Q. Only when you went there yourself you thought the best place would be—  
A. As shown on the plans submitted by me.

Q. On account of being above the rapids, I suppose? A. Yes.

Q. And in still water? You made a calculation of the cost of this dam and reported it on January 14, 1909 at \$108,550? A. Yes, sir.

Q. At whose request did you make that? A. The Chief Engineer's.

Q. The Chief Engineer asked you to make this calculation? A. Yes.

Q. You made this calculation another time? Do you remember when? A. I do not remember that. The previous calculations were for a wooden dam, those are the calculations for \$78,000 and some odd.

Q. You never had anything to do with the \$176,000 valuation? A. No, not from the time I think it was in March of 1909 I was relieved of anything connected with the dam at Timiskaming.

Q. Is this your valuation of the cost of the dam made on November 20, 1908? A. Yes, that is for the wooden dam.

Q. You made this on November 20? A. Yes.

Q. The tenders were called for on October 20? How did they ask for tenders and asked for a deposit of \$8,000 which is supposed to represent 10 per cent on the contract, how could they fix that amount when you had not yet made the valuation? A. I had made that valuation.

Q. When? A. Previously. This is the date I furnished the Chief Engineer with details.

Q. There had been another valuation? A. This is the valuation which had been made and which I had in my office.

Q. You only forwarded it on October 20? A. Yes.

Q. In your estimate what did you include for concrete? A. I forget now, unless I look it up. I do not see any item about it there. As I said here, it was only calculated as an extra. If any concrete was used it would be an extra.

Q. On account of the formation? A. Yes.

Q. Outside of that, you had no connection whatever with the giving out of this contract? A. No, sir.

Q. Or with the construction of the dam? A. No, sir.

Witness retired.

The Commission took recess.

EDWARD RAINBOTH, sworn.

*Examined by the Chairman:*

Q. You are a Civil Engineer A. Yes, sir.

Q. Residing in Ottawa? A. Yes, sir.

Q. In November, 1908, you were a tenderer for the wooden dam at Lake Timiskaming? A. Yes, sir.

Q. I show you the official file. Is that your tender? A. Yes, that is it.

Q. Dated 19th November, 1908? A. Yes, sir.

Q. For a total sum of \$115,609? A. Yes.

Q. Where did you get that form of tender? A. In the Department.

Q. Did you apply for it yourself? A. Yes, in person.

Q. Do you remember at what office you got the form? A. I am not very sure. I remember calling at Mr. Perrault's office on Sparks St. I think the plans were there to be examined and it seems to me I got the forms up at the Department in the West Block.

Q. Would you know Mr. Robillard who went out just now? A. Yes, I just met him.



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Q. Does that remind you whether you got it from him in his office? - A. No, it does not.

Q. Then the stationery office, I am told, is the only other place? A. Is there not a man named Mr. Coleman, in charge of these things there?

Q. Yes. A. Whether on that occasion or on some other occasions I have got some forms from him. They have sent me over from the draughting room with a message to his office.

Q. Then you saw the plan at Mr. Perrault's office, you got the form from Mr. Coleman and where would you see the specifications? A. I would say with the plan.

*By Mr. Lake:*

Q. This is all to the best of your recollection? A. Yes, because I do not remember ever seeing plans without specifications.

*By the Chairman:*

Q. Would you look at the tender please. That was for a bulk sum, was it not? A. Bulk sum, yes, with unit prices.

Q. What are those unit prices applicable to? A. To all material in place.

Q. You would not be paid on the unit prices, would you, you would be paid a bulk sum? A. I understand from this tender it was a bulk sum. You were to take out your own quantities and make out your prices on these quantities so that if you were out on your quantities you would be out on your bulk sum.

Q. Quantities would be merely a guide for you to know how to make up your bulk sum? A. Yes, but still the bulk sum was the important thing.

Q. But the quantities would be supplied to you? A. No sir, the quantities were not supplied. I had to take out my own quantities from the plans. I rather baulked at that because I thought they ought to furnish up the quantities because it means an awful lot of work to take out the quantities in that way.

Q. But in that form of tender it would not make any difference in the final result whether you had worked out the right quantities or the wrong quantities? A. Yes, sir, I think it would.

Q. How is it? A. Because it was up to me to take out those quantities properly and accurately.

Q. But the final result would be that you would get the total amount you applied for? A. Yes, but supposing that those quantities were too small I would be out the difference.

Q. The final result would be different to you but not to the Government would it? A. Well no, not different from the bulk sum.

Q. The Government would still pay the same amount? A. Yes.

Q. And if a mistake had been made, you would be the loser? A. Yes, unless there was some change in the work, some extras put in.

*By Mr. Lake:*

Q. If extras were put in you would be paid on unit prices? A. Yes.

Q. Was that the only reason to put in unit prices? A. Oh no, I was obliged to put in unit prices, the specifications called for unit prices and there is a column for them. That tender had to be properly filled in or it would likely be rejected.

*By the Chairman:*

Q. The schedule called for them but if you look at the tender itself it says: "I also offer to execute any extra work and to furnish all labour, &c., at the prices given in the schedule." A. Yes.

Q. So the purpose of putting that schedule in this tender besides putting a bulk sum in would be so that the Department would have a unit price upon which they would pay you if there was any extra? A. Just so.

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Q. I notice this item 22, "Concrete 1, 3, 5 in foundation." We have been told by the last witness and others, that the plan shows no concrete? A. No concrete.

Q. And the specification makes no mention of concrete? A. I think so. No, it may be all done in that, but I remember it called for concrete and as I understood it might be required in foundation, and therefore it was an unknown quantity and I estimated that there might be probably that quantity required in that part of the work, 200 yards.

Q. And you put down \$10 for that 200 yards? A. A yard, yes, and of course I understood that if there would be say a thousand yards required, I would be paid for the full amount put in. It was different from some of the other items. I considered, because there was your plan to take out the quantities, timber and rock, but this would be an unknown quantity which the Department would pay for according to the amount that would be put in the work.

Q. Here, in the first place you undertake to build a wooden dam on the plan and specification provided which show no concrete. You do that for a bulk sum? You have attached to it a schedule of prices to be used for extra work and in it you have this item 22 "Concrete 1, 3, 5 in foundation." You contend that under these circumstances, if there were any concrete whatever, from one yard up, you would receive \$10 a yard for it if the contract was awarded to you? A. Yes.

Q. So that in that respect your contract would be double-barrelled, first for a lump sum for the things shown and second for unit prices for the things not shown, which were extras. Is that your idea of it? A. Well, the only thing not shown that there was a possibility of being used in connection with the work was a small quantity of concrete as I considered it in the foundation.

Q. And you say there was positively no information whatever supplied you from which you could form any judgment as to the quantity of concrete that might be used? A. Positively none.

*By Mr. Lake:*

Q. Neither in the printed specifications nor verbally? A. No. In fact there was no concrete shown on the plan, and the plan was the only basis for any of the quantities.

*By the Chairman:*

Q. Did that item not naturally suggest to you, being an Engineer as you were, the question: What do they mean by putting concrete here? A. I understood that there might be some concrete. If you will notice on the plan they show rock, on that island at the centre portion of the dam and then they come to boulders and gravel. I considered they might strike a split in this foundation that they would require to put in concrete, perhaps do some piling and then put in concrete on top of that.

Q. Was anything said to you about building a concrete dam? A. No, not a thing, never any hinting at it at all.

Q. And if you had been told that you were being asked for a price for concrete as an alternative to the building of a concrete dam altogether, instead of a wooden dam would that have affected your price? A. For the concrete?

Q. Yes? A. Certainly.

Q. If you had information that they were going to build, as they really did later on, two large concrete dams, one across each stream, very heavy works, would it have affected the amount of your tender per cubic yard for concrete? A. Yes, certainly because I looked on that item of concrete in the tender as of very little importance, there was such a small quantity that would be required and I did not enter into the actual cost very accurately because I considered it such a small item.

Q. You did not consider what it would cost you to put cement up there or to obtain mixing machines? A. No, for instance, I did not get prices on cement in quantities.

Q. Nor of machinery? A. Nor of machinery.

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Q. And a thousand and one considerations that will enter into the building of a concrete dam? A. Yes.

Q. Then I take it, that if you had been asked to build a concrete dam as far as the rate per yard was concerned, it would have been much less than \$10? A. Much less.

Q. I want to call attention to another item. Take item 23, unwatering, \$15,000. That of course would be a part of your bulk sum? A. Yes.

Q. And that could not vary no matter how much the unwatering cost it would not affect the total amount to be paid to you in any way? A. No.

Q. Did you make a calculation about the unwatering that would be required in order to arrive at that sum? A. Certainly.

Q. What was your thought of what would be needed for unwatering for that wooden dam? A. Situated the way it was at the head of the rapid there, with islands dividing it in two, I considered it would be more advantageous to work each channel separately to dam off one channel while you were working in that channel and let the river flow run through the other channel, and of course it would be only a temporary dam you would put in there to close off the flow into each channel while you were working in it. I considered it was the only item in the list of prices there that was an unknown quantity. I did not consider the concrete question important at all, but I did the unwatering and I thought it was the only factor in the whole scheme that was really an unknown thing to deal with. One might make an estimate for ten times that amount and still not be wrong, because it depended so much on the stage of the river. It varies from year to year. I understood they did do the work they were favoured the first season with very low water and, of course that means everything in the unwatering.

Q. Before putting in the tender, you, of course, visited the scene of the proposed dam? A. Oh yes, I know the locality very well. I pass there frequently. In fact I made surveys up to that country years ago.

Q. It has been suggested here that a wooden dam could have been built at the original without any coffer damming whatever, by floating out the piers for the foundations and sinking them on the site? A. Yes, that might have been possible.

Q. Did that strike you as possible? A. Yes, it did.

Q. In that case the unwatering would have amounted to nothing, would it? A. Not very much, in fact almost nothing. If you did not have to put in a coffer dam there was no unwatering.

Q. Apparently you, in putting in your figurers, rejected that idea? A. Yes, I did, because they called for unwatering, do you see, and I did not think they would be satisfied to allow the contractor to put in his piers unless he did unwater, because I thought they meant by that that they would require to see it unwatered and examine it themselves before allowing a pier to go in.

Q. Would it have been good engineering from a departmental standpoint to have allowed a wooden dam to be built by floating out and sinking the piers without unwatering and examining the bottom of that place? A. No, I do not think it would have been.

Q. It would not have been safe to do that? A. I do not think so.

Q. It was a great big lake with a tremendous head of water held back. As it turns out it has been almost unmanageable. You have heard since they had great difficulty on the Quebec channel with the coffer dam? A. I heard that they changed the site of the dam and instead of putting it at the head of the rapids located it part way down.

Q. On the Ontario side at one point, it is a good deal further down than on the Quebec side, but on the Quebec side the site of the present dam is not much farther down the stream than the site intended for the wooden dam. You have heard that

the coffer dam on the Quebec side went out with the flood? A. Yes, with the spring flood.

Q. Bearing that in mind and all the surrounding circumstances as known to you, you say it would not have been good engineering from the departmental standpoint, to have allowed a wooden dam to be sunk without a previous examination of the bottom and unwatering? A. Just so.

Q. And with that impression do you consider that that provision in the specification for unwatering meant that they would require unwatering? A. Yes.

Q. One of the tenderers put in the sum of \$4,000 in the tender for the unwatering. If unwatering were required by the Department as you understood, could \$4,000 under any circumstances be sufficient? A. Oh yes, it is possible it might be.

Q. In what way? A. Well it depends altogether on the stage of the water. In a very favourable season, that is with extreme low water, it might have been possible to do it for \$4,000.

Q. Do you think that stream from side to side on both sides could have been unwatered in any season so as to have allowed a proper examination of the bottom by the Department for the sum of \$4,000? A. I would not undertake it. I would not undertake it for less than the price I put in.

Q. That was your sane judgment of what it would require then? A. Yes.

Q. And from what has occurred since, you probably were fortunate in escaping at that price? A. Of course I do not know how they handled it.

Q. Assuming that they handled it right, the amount even on your offer was very small? A. I considered it was a fair price at the time for the material and labour and locality.

Q. You say that everything in a coffer dam would depend upon the handling of it? A. I mean the whole work. I was not speaking of the coffer dam, because I understood from what I saw—

Q. After putting in that tender you received your security cheque back? A. Yes.

Q. Were you ever after asked to tender in connection with the work? A. No, I thought it was a very unfair thing to do with the bona fide tenderers to change the whole plan of the work after calling for tenders, and having the deposit put up with the tenders and then changing it to a different class of work entirely. I consider that they should have called for new tenders at the time.

Q. If they had called for new tenders on the concrete work would you have tendered? A. Yes.

Q. Then you never got any intimation from the Department here from that time forth that they were going to change the work? A. No.

Q. Either change the location or change from wood to concrete or anything else? A. No, I got no information whatever.

Q. Did you ever get any intimation from anybody in any way that the tenders would be decided on ultimately and given out on the basis of the unit prices you were quoting? A. No, I never got any intimation whatever?

Q. As a matter of fact we have it in evidence before us that after accepting the lowest tender for the wooden dam and the Department deciding to change to a concrete dam, a calculation was made as to what the concrete dam would cost at the location originally decided for the wooden dam and upon quantities worked out in this way, changing from wood to concrete and calculating at the price named in the tenders for extra work, and upon the result of that calculation of concrete quantities and extra prices, it was decided to award a contract to Kirby & Stewart. Having stated those facts I want to ask you this question. Having regard to the reasons you have given for naming concrete and to all the surrounding circumstances under which you put in that tender, was that a fair measure of calculation to arrive at the cost of this concrete dam? A. Do I understand that the Department adopted the Stewart & Kirby prices given in their tender?

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Q. Yes? A. And adopted their own quantities?

Q. And their own quantities, and thus they compared the Kirby & Stewart prices for concrete with the prices given by the other tenderers for concrete? A. No, I do not think it was a fair way at all of dealing with the price.

Q. Will you explain why? A. For instance, I have no idea what Kirby & Stewart's price for concrete was but they might be the lowest tenderer on that particular item of concrete and still have a price that was much too large for such a large quantity of concrete required.

Q. And would you say generally it is unfair for this reason that if you or any other contractor had known that a very large quantity of concrete was going to be used the prices quoted by each tenderer would be very much lower than they actually were for the small quantity? A. Certainly. There is another item I might mention in connection with concrete. It depends on the size and the bulk that you are putting in. Say the size of one pier for instance? You are allowed, where it is of any size at all, to float in stones in that work. They are called plums in the pudding, that is placing them properly so that they are a certain distance away from the outer edge of the wall and from each other. That is much cheaper than putting in cement, the amount of stone you are allowed to fill in in that way reduces the price, and in calling for prices there for concrete in foundation, they simply mean concrete, not any of this stone filling I spoke of.

Q. What you mean is that a price for concrete in foundation is a very different thing from a price for concrete work in piers? A. Certainly.

Q. Which may be changed very much in material and manner of building? A. Yes.

Q. Because there your entire construction is concrete and in the other case it is just a small quantity required to make foundation.

Q. There is another element that entered into it later on. The next change the Department made after deciding to build all of concrete, and making the calculation I have just mentioned, was this, that their engineers after examining the site changed the location entirely, especially on the Ontario side and that change of location involved amongst other things, a very large amount of excavation, so that in the ultimate cost of the contract the question of the price given for excavation was a very material factor? A. Yes.

Q. In the provision for the wooden dam, would excavation have been a serious matter? I mean as to quantity and having regard to its location? A. No, it was a small consideration, excavation, in that tender.

Q. As the location of the Ontario side of the dam was moved down the stream, the water shoaled very much so that in an ordinary season the Ontario side was dry at the place where the concrete dam was put. That involved a very large amount of excavation not originally thought of. Now in the building of a concrete dam in the new location, the prices quoted for excavation in the original tenders for a wooden dam, might be very materially affected, might they not? A. There were three excavations in the tenders here mentioned, common, rock and boulder.

Q. What have you given for the common, say? A. A unit price \$1.50 per yard.

Q. And the next? A. \$3.50 per yard.

Q. And the next? A. Boulder, \$2.50 per yard.

Q. How would those prices have been affected in your mind in view of the change of location I have mentioned and especially of the fact that at low water a large portion of the work would be dry? A. It would certainly make a great difference.

Q. In what way? A. It would be more cheaply done.

Q. It would be more cheaply done? A. Yes, that is where it is dry.

Q. And the question of price would depend entirely upon how much of it was probably going to be dry, and how much would be under water and how deep the water would be, would it not? A. Well I did not consider that any of that excavation

would have been under water at those prices, but still it might be wet without being under water. That is you would be bothered with water flowing in that you would have to take care of or your men would have to work in the wet, which many of them object to.

Q. You do not consider that the excavation really done on the Ontario side at the new site would be under water? A. No.

Q. The excavation that you provided for in your tender on the wooden dam, where would that have been? A. That would be anywhere where the site of the dam was fixed.

Q. Some of it would be wet? A. Well wet, but not under water. I consider that it would all have been more or less wet but still not under water because you are supposed to unwater.

Q. Your coffer dam would be under water? A. If it was not absolutely tight, which in this case was not necessary, unless we put in concrete, for instance you would be bothered with some leakage and your work would be actually done in the wet although not under water.

Q. In regard to the change of site, and the greatly increased quantity of excavation, if you had been called upon to tender for that in the site ultimately chosen would your prices have been more? A. Yes.

*By Mr. Ducharme:*

Q. If in the result your calculations regarding the wooden dam had turned out to be mistaken would it have affected the total amount which the Government would be bound to pay you? A. No.

Q. Do you know the locality enough to speak of the location of the dam? A. In what way?

Q. Whether the second location would be less costly than the first location? A. Well, I would not like to give any opinion about that unless I made a special examination. I consider myself that the first location of that dam was preferable to the second.

Q. Can you say why? A. Well, in my experience I have never before seen a dam built below the head of a rapid, and I would have to know some very special reasons for putting it below the head of a rapid before I should advocate that idea.

Q. The first dam would have been built in still water? A. Comparatively, yes.

Q. I see on your tender there, the words, "White Pine," in writing. Was that put there by you? A. Oh, no, that was in already.

Q. When you received the form, the words in writing on the schedules of prices, attached to the tender, for the wooden dam, were already on the form? A. That in the first three columns.

Q. Were they written by you? A. They were not written by me, but were in when the form was supplied to me. There are two items there of white pine.

Q. The quantities of those would be shown in the plans and specifications, would they? A. Yes, that is we had to take out our own quantities.

Q. But the basis for the quantities——? A. Yes, the basis.

Witness retired.

#### AFTERNOON SITTING.

E. E. PERRAULT, recalled, and examination continued.

*By the Chairman:*

Q. You have been speaking about that estimate that you made early in 1909 for the cost of a concrete dam to be placed where the wooden dam was projected. Later on you know that the location of the dam was considerably changed, and when they

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came to building the dam they put the Ontario end of it much further down the stream. You know that? A. Officially, I do not.

Q. Officially not? A. No.

Q. What do you mean by that? A. All I know is that I have been told there was such a change.

Q. You had nothing to do with making the change? A. No.

Q. Did you ever afterwards make up an estimate of the cost of that changed dam? A. I have not.

Q. Did you ever have anything whatever to do with the matter after the time when you made up the estimate of which we were talking a moment or two ago? A. No, sir.

Q. That was your last official act in connection with it? A. Yes.

Q. There had been a Mr. Matheson employed in or about the Public Works who afterwards went away to British Columbia? A. There was.

Q. Did he collaborate with you in any parts of your work of preparing those plans? A. He did not.

Q. And you never had anything to do with him in that connection? A. No, sir.

Q. You never did have anything to do with the actual working of the dam? A. I had not.

Q. And what you have said here to-day, does not describe your official connection with the matter? A. A. It does, with the exception that previous to calling for tenders, the Assistant Deputy Minister suggested that instead of a bulk sum being asked, that unit prices should be asked, and it was with that view that I sent the list of items at the same time as the plans and specifications to the Chief Engineer's Department, and I was under the impression that tenders were going to be called for on unit prices. When that was not done, the calling of tenders, I went to Mr. Robillard, the gentleman in charge of the drafting department and who had charge, I understand of the printing of the specifications and so on, and I at once drew his attention to it, and he told me it had been done as all other contracts were done. I at once reported to the Assistant Deputy Minister, [Mr. St. Laurent who told me then it was too far gone, and to let it go at that.

Q. Well now you had had three or four years experience of the Public Works Department at that time? A. I had.

Q. And I suppose you had sent in plans and specifications which had been subject to tender before that? A. No.

Q. You had not? A. I had not.

Q. You were not familiar with the method? A. Well, I cannot say I was not familiar with it.

Q. Mr. Robillard has said to-day that there are three kinds of tenders which are issued in the Department. One is for a bulk sum pure and simple, the second is for a bulk sum but has attached to it a schedule of prices, which by the very words of the tender are made applicable for extra work, and the third is a unit price pure and simple, and in that third it is necessary to supply the quantities, put them in the printed form of tenders, so that the tenderers may know the quantities to which they are attaching those prices. Now were you aware that there were three forms of tender issued? A. I was not.

Q. Did you say anything in writing or verbally to indicate which form of tender was to be used? A. It was just verbally.

Q. Did you say to anybody—? A. I said to Mr. Robillard.

Q. And you sent these specifications? A. And plans, and told him what the Assistant Deputy Minister had suggested, that unit prices should be called for.

Q. Did you make him understand that a bulk sum was to be called for? A. I did not.

Q. Because you see he could get unit prices on the second form of tender, that is, unit prices with the bulk sum? A. I did not.

Q. Now in your specification, and in your plan nothing was said about concrete? A. It did not.

Q. Did you suggest yourself that anything should be put in the tender with reference to concrete? A. I did not expect putting that item of concrete in the schedule asking for a price for concrete.

Q. Did you prepare a schedule? A. I did.

Q. You prepared a schedule? A. Yes, I did.

Q. Calling for prices? A. For prices.

Q. Was the schedule that you provided the model upon which that part of the tender is signed 1908, did you provide a copy on which that schedule of prices was framed? A. Yes, sir.

Q. On which that schedule calling for prices was framed? A. Yes.

Q. There were 23 items in it? A. Yes.

Q. Two items of white pine appear to have been omitted and subsequently provided in ink? A. That is not my writing.

Q. The writing is not yours, but you think you gave a copy for the 23 items? A. Yes.

Q. If you were going to ask unit prices for a work such as this, would it not be according to practice to provide a statement of the quantities to which those unit prices were attached? A. Yes, I suppose it would be the practice to do so.

Q. Did you supply a statement of the quantities? A. I did not.

Q. You did not at that time, consequently if Mr. Robillard had desired to ask for the unit price tender he would not have it before him to show the tenderers what quantities there were? A. Until he could work out the quantities from the details which I had supplied to the Chief Engineer.

Q. In any case you had not worked out the quantities? A. I had not.

Q. If Mr. Robillard were to swear that you had not given him any instructions to get unit prices, is your recollection of the matter clear enough to contradict it? A. Oh yes, my recollection is distinct as to having told him what the Assistant Deputy Minister had also said to me.

Q. Now, can you tell me whether it is a customary thing on work such as the wooden dam as then contemplated, whether it is customary to get such a work as that by unit prices or by bulk sum? A. To my knowledge it is a bulk sum, the usual way.

Q. Had you prepared your material for a bulk sum before St. Laurent spoke to you about it? A. I had.

Q. Then his mention of unit prices was a subsequent thing? A. It was just previous to the calling of tenders by the Department.

Q. Now, can you say that he wanted to get unit prices? A. My recollection of my conversation with the Assistant Deputy Minister is that he would like unit prices on that work owing to the uncertainty of our knowledge of the foundation.

Q. Did he make any mention of his thought which he tells us he had for a long time in his mind that such a structure ought to be made of concrete and not of wood? A. No, he did not at that time.

Q. Did he ever discuss the advisability of making it of concrete? A. Afterwards.

Q. But not at that time? A. Not at that time.

Q. He did not tell you he had had in his mind to change to concrete and that it would be desirable to have the prices? A. Not at that time, not previous to our calling for tenders for the wooden dam.

Q. Well, as far as you were concerned then in putting that item of concrete, you had in mind only the very restricted use which you have described here to-day? A. Yes.



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Q. And so far as Mr. St. Laurent's conversation with you is concerned, did you gather that he had only that same restricted use in his mind? A. My idea was that he wanted unit prices upon every item for the construction of the dam.

Q. Yes, but I am asking for the cause. You say it was because he thought that in view of the uncertain bottom and so forth some concrete might be needed? A. Yes.

Q. And I am asking you whether, judging by his conversation and his instructions to you at that time, you think he had a restricted and narrow use for concrete in his mind? A. Well, I cannot say that it was the conclusion I drew from his conversation. It was more that the cost might be more or less than what I had estimated it.

Q. It might be uncertain? A. Yes, uncertain.

Q. That is to say, not that the cost might be more or less, but that the quantities— A. If the foundations were to be more than what we thought they were going to be then there would be unit prices—it could be covered up by calling it an extra. If they were paid according to unit prices then the whole would appear as part of the actual tender and not be called an extra.

Q. Well, that possibility of variation arose from what cause? A. From the foundation.

Q. From the foundation being uncertain? A. Yes.

Q. In other words, you did not have before you at that time sufficient data to make you quite sure what kind of foundation you were going to get? A. Well, all I had before me was the result of the survey made under Mr. Brophy. As I told you this morning I had plans showing the soundings and the proposed formation of the bottom of the river, and upon that I made the plans for the wooden dam.

Q. But what I want to get at is not so much what you had, but what you ought to have had? A. It appears as if I had everything.

Q. Yes, then what was in the mind of St. Laurent that made him feel there was an uncertainty about the bulk tender? A. Well, it is always a work under water, something you did not see. You can never be really certain.

Q. No, but you can reduce it by careful investigation to something like certainty? A. Which is what we did, that is as far as they knew. Careful investigation had been made of the bottom.

Q. Had you made any borings? A. There had been soundings.

Q. But no borings? A. No.

Q. Are borings generally resorted to for important work? A. For a concrete dam it would be absolutely necessary.

Q. Take the case of a wooden dam across the Quebec channel especially, has not the result shown that borings ought to have been taken? A. The result shows that, as far as I am told.

Q. It has been swept away as a matter of fact by the sweeping out of the sand beneath the coffer dam? A. I understand another location from this one was proposed.

Q. A little further down. Might that change of location make a difference? A. It might.

Q. In what way? A. The wooden dam on the Quebec side was in clearer water than the concrete dam now is because the concrete dam would be in the rapids.

Q. And that might make the bottom a very different thing? A. I do not know.

Q. You are just making a suggestion? A. It might be.

Q. In any case, in undertaking a structure across a big lake like Timiskaming, should not the bottom be very carefully studied? A. It should be.

Q. I drew your attention to the plan of the wooden approach prepared by you and especially to a dotted line at the island end on the Ontario side, what does that dotted line mean? A. That the foundation, that is the excavation is likely to come

to that line. These are where the soundings, or you may call them borings, are because it was to the depth of this dotted line that I had instructions and data.

Q. Well, on the Ontario end of the Ontario side, I mean to say the island end, there is a similar dotted line? A. Yes.

Q. That indicates that the bottom there was uncertain? A. Uncertain.

Q. Now, Mr. St. Laurent has told us I think that one reason which later led him to change his mind in favour of concrete was that he noticed for the first time this dotted line on the plan as indicating that the bottom was uncertain, and he concluded from that that further examination would have to be made, and that possibly concrete should be used. In view of that evidence given by him do you still feel that at the time of the preparation of that plan there was sufficient data to warrant the plan of the dam being made and the contract being given? A. For a wooden dam?

Q. Yes, for a wooden dam. Now, will you tell me what difference there would be in the nature of data for a concrete dam as against a wooden dam if both were to in the same location? A. Well, in concrete construction you have to be far more careful as to the foundation to prevent any leakage of water. Practically you have to do the work in a dry place.

Q. Is that because it affects the concrete or what? A. Well, no, as soon as it does that it washes the concrete away.

Q. Before it hardens underneath? A. Yes.

Q. Would not there be the same danger of scouring under a wooden dam as under a concrete dam both in the same place? A. I should think there would be.

Q. Wasn't there a danger of scouring under the wooden dam as you planned it? A. I do not think so.

Q. But looking at it now, and particularly looking at the fact that you have at both ends of the Ontario side marked the bottom as uncertain, wasn't there a danger of scouring there? A. I didn't think so at the time.

Q. But suppose you had intended to put a concrete dam in that same place, it would then become necessary? A. For my personal satisfaction I would have had borings done.

Q. As an engineer, if you were going to put that concrete in that dam, in that circumstance you would have put borings there? A. Yes.

Q. And in any case, from what you have marked in this plan about the bottom there, if you were putting a concrete structure, it would be necessary to go considerably deeper than for a wooden structure? A. Yes.

Q. That would increase the concrete? A. Yes.

Q. Did you take that into consideration in making out your calculations? A. I think I did.

Q. I would like you to charge your memory? A. I have not gone over these figures, but my recollection of it is that I did.

Q. Your recollection is that in your calculation you considered you would have to go deeper down. Now, with regard to location you went you told us, too late to Timiskaming, and you saw the location that had been planned there? A. Yes.

Q. Did you approve of the location in which the old wooden dam was to be placed? A. Yes.

Q. It struck you as the right place to put it? A. In my opinion.

Q. It was practically at the head of the island, and above the rapids? A. Above the rapids.

Q. In still water, as still as a lake could be—the currents do not commence to get rapid? A. It just begins immediately below.

Q. Therefore it was in what you would call still water, as still as a lake is anywhere? A. Yes.

Q. On the Quebec side where the dam now is you say the rapids had already commenced? A. Yes.

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Q. And on the Ontario side where the dam now is, in high water there would be a great rush of water? A. In high water there might be.

Q. But the Ontario side is dry in low water? A. The Ontario side is dry at low water.

Q. The Ontario side, as it was dry at low water, it has been excavated. Now where and what was the coffer damming which you intended to provide for under the word "unwatering," page 25, in the specification prepared by you? A. At the Ontario side at low water at the time, there was a very simple thing, there was practically no water, and the coffer damming would have been almost a minimum, that is in cost.

Q. That would be at dead low water? A. At dead low water. On the Quebec side, which is the deeper side, I intended to put a coffer dam from the island straight across.

Q. Straight across? A. Yes.

Q. That would be in about what depth of water? A. About six feet of water.

Q. At that spot? A. Yes.

Q. That is at low water? A. Yes.

Q. But the years when you have low water, and the length of time in each year when you have low water are uncertain things, aren't they? A. Very uncertain.

Q. And in order to have the minimum of coffer damming you would have to watch for a very favourable year and a very favourable season in the year? A. Yes, sir.

Q. That would come about what time of the year? A. In August.

Q. And September? A. Yes.

Q. Until the rains begin? A. Yes.

Q. Low water would not last, I suppose more than a few weeks at any season? A. Not much more.

Q. And there might be some seasons when you would not have it low enough for those periods? A. Yes.

Q. Certainly when the water rises, for that kind of coffer damming you speak of, even on the Ontario side, it would not be sufficient, would it? A. The Ontario side?

Q. Yes, high water? A. I think it could have been built with a little water to go over.

Q. You think the coffer dam might have been made, in other words work would be suspended? A. But the coffer dam would still remain there for the propitious time that the water would allow.

Q. If you had had a wooden dam built, and it was not quite finished, and the water ran over your coffer dam, it would not hurt it, would it? A. No.

Q. That would not apply if you were doing concrete work there, would it? A. No, because the coffer dam would do a great deal of damage to the concrete.

Q. So that coffer damming, or unwatering—the two mean the same thing, don't they—? A. Yes.

Q. For a concrete structure might be a different thing than coffer damming for the wooden dam that you contemplated? A. I think so.

Q. Now it has been suggested here by some persons that coffer damming, certainly on the Ontario side, might not have been necessary at all but that they might have flooded out the foundations, the cribs of wood, and sunk them and then built on the top of them. Did you contemplate allowing that at the time? A. I knew of it but I did not—

Q. You did not contemplate it? A. No.

Q. If you were an engineer in charge of work of that kind would you permit it? A. I would, certainly, if the occasion, that is if it could be done properly.

Q. Now, Mr. Rainboth, civil engineer and contractor, stated here this morning that such a method of building would in his opinion be highly improper, and he does not see why the Department should permit it, for this reason, that it would be impos-

sible at the place where the wooden dam was to go, with a certain amount of water there, to discover the nature of the bottom sufficiently well to justify putting cribs on it in that way. He says it ought to have been unwatered and examined and excavated enough to allow the cribs to go there? A. Well, I differ in this way, that the cribs might have been sunk in their proper place, then after they had been placed in their location, if any leakage occurred there it would be up to the contractor to make it good.

Q. You think then you would venture to allow a contractor to sink his cribs and the Department will run the risk. Leakage would occur before the contractor could be paid and get away? A. No, I do not think so.

Q. Might not the dam seem to be all right after it was finished, and develop a leakage later on by scouring underneath? A. Yes, it might take six months or a year or two. It might do that even if you put in a coffer dam, as for the time being you think it is all right.

Q. It might in any case? A. Yes.

Q. And for that reason you want to reduce the risks of it to a minimum, don't you? A. The engineer always does that.

Q. You would not be reducing it to a minimum if you allowed a contractor to take out his cribs and sink them without coffer damming or unwatering? A. The engineer would not allow it if in his mind he thought there would be such a thing.

Q. Take it in ordinary circumstances, in ordinary circumstances such as existed at that time, do you think it would have been safe practice to have allowed them to sink the wooden piers without unwatering on that side? A. As I told you a few moments ago, I did not contemplate—

Q. Such a practice? A. Such a practice.

Q. You intended to have it coffer dammed? A. Yes.

Q. And on the Quebec side where the water was deeper, a coffer dam was essential, wasn't it? A. Yes.

Q. Nobody would think of taking up the piers and sinking them? A. No. At the Quebec side you did not see the bottom at all whilst on the Ontario side a part of the dam could be seen.

Q. Putting a concrete structure where the old dam was to be put, outside of the difference between concrete and wood was a very different proposition altogether, wasn't it? A. It was.

Q. Because with regard to concrete there were a great many considerations that you would have to think over that would not apply to wood at all? A. Yes sir.

Q. Particularly those important things about the foundation of the river? A. Yes.

Q. And the character of the bottom and all that, and unwatering and so on, all these are very serious and important considerations in regard to concrete over and above wood? A. Yes, sir.

Q. Of course when it was decided to change the whole location of the dam, and bring the Ontario side away down, and bring the Quebec side into the rapids, the magnitude of that was very much greater than the old wooden dam; it was altogether different work as an engineering work? A. It is a different work altogether from the work proposed.

Q. And from an engineer's standpoint, its magnitude and importance far transcended the old wooden dam idea? A. It did.

Q. Perhaps you know, as a matter of fact, that by excavation, and in other ways, they have engineered to get five feet more of water? A. On the Ontario side?

Q. On the Ontario side, five feet more than was contemplated in the wooden dam? A. Yes.

Q. That means, doesn't it, five feet more of the lake which can be unwatered in the dry season? A. Yes sir.

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Q. I understand that the level of the water at the dam at high tide is not changed by that scheme at all? A. No.

Q. The effect of the change is merely that you can let the lake lower itself five feet more, is that your understanding? A. From the Ontario channel you allow five feet more in depth, do you see.

Q. By excavating the Ontario channel and getting the base, the platform of your dam, five feet lower, you are able to unwater the lake in the dry season that much more? A. Yes.

Q. That of course meant then that the dam on the Ontario side from the bottom to the top would be five feet more, the distance from the bottom to the top of the concrete work? A. Five feet more than the wooden dam had been contemplated.

*By Mr. Lake:*

Q. Have you known of plans and specifications in cases where unit price tenders are called for? A. Not for dams.

Q. But in public works generally, one kind and another? A. Not in connection with the Government, not since my work connected with the Government. I have done so but—

Q. Not since you have been in the Public Works Department? A. Not since I have been in the Public Works Department.

Q. But you did it in the case of this particular dam we are referring to? A. Yes, sir, that is, it was suggested that we should.

Q. In reference to this undertaking, did you make an estimate of what the cost of the undertaking would amount to? A. Yes sir.

Q. And in doing so, I presume, you had an estimate of the quantities of material to be used? A. I had.

Q. Had you made the estimate of quantities of material to be used before the tenders were called? A. I had.

Q. You had? A. I had.

Q. Did you send that estimate of the quantities down to Mr. Robillard? A. To the Chief Engineer, sir, I sent a detailed estimate.

Q. Of the quantities? A. Of the quantities, as well as the plans and specifications to the Chief Engineer, who then had them sent—

*By the Chairman:*

Q. Wait a moment, don't speak beyond your own knowledge. You simply say you sent it to the Chief Engineer? A. Yes.

*By Mr. Lake:*

Q. In calling for bulk sum tenders, did you ever supply would be contractors with an estimate of the quantity of material's required? A. We did not, every tenderer calculated his own quantities.

*By the Chairman:*

Q. You say that every tenderer calculated; Mr. Lake asked you about the practice of the Department. When bulk tenders are being called for, is it the practice of the Department to supply tenderers with the quantities which will be in that work? A. Not to my knowledge.

Q. Is it the practice then for tenderers to work out their own quantities from the data? A. Yes.

Q. That is when bulk contracts are being dealt with? A. Yes.

Q. Then in this particular case, the tenderers were not supplied with the quantities? A. They were not.

Q. They had to work them out themselves? A. Yes.

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Q. You had previously worked out quantities you say, and supplied them to the Chief Engineer? A. Yes.

Q. And Mr. St. Laurent would know that? A. He would, that is I presume he would.

Q. Cannot you go further and say he would, for later on you say that the tender had been printed so far that it could not be recalled, that St. Laurent said it had been the intention to have unit prices, and it was too late to go back on it. That is the case, is it not? A. This much I can say, that Mr. St. Laurent knew that I had made my estimate in detail as far as the quantities are concerned. They were in my possession.

Q. And in the Chief Engineer's possession? A. Yes.

Q. Here is the point, at that time, even after the form of tender that was to be forwarded, if St. Laurent wanted unit prices in reality, could he not have given the quantities from the memorandum you had supplied to the tenderers, and said to the tenderers, "Now in putting in your list of prices there, these are the quantities on which you have to give these prices"? A. He could have done that.

Q. Even after the form of tender was printed, there would have been no difficulty in saying to the tenderers, "These are the quantities to which these prices will attach"? A. That could have been done.

*By Mr. Lake:*

Q. Was that before tenders had actually been signed? A. Oh yes, the advertisement had been published.

Q. Calling for tenders? A. Calling for tenders, and the way it was found that unit prices were not being called for was by my asking to get a copy of the printed specifications and form of tender. It was then that I drew the attention of Mr. St. Laurent.

Q. That would be between the date of asking for tenders by advertisement, and the actual signing of the tenders? A. Yes.

Q. At that time the forms of tender had not been sent out? A. I believe they were distributed to the various places. They had been printed, and sent to the various offices where the contractors could see them.

Q. When the mistake was discovered, it would have been quite possible to have had them sent out? A. It could have been recalled altogether and a new form sent out.

Q. Showing the quantities to every man who had asked for the form of tender? A. Yes, it could have been done.

Q. (Shown the tender indicating the printed list of articles, the form of tender for the wooden dam and referred to item "white pine 3 x 12" in place written in)? A. That is certainly not my writing.

Q. What other office, besides your own, would be authorized to make an addition of that kind to the printed form? A. I do not know of any other office that at the time could have done that. It was not my change.

Q. Can you explain how forms of tender should be distributed to men who wished to tender for this work, and not be all exactly similar? A. I do not know, I had not the distribution of the forms of tender.

Q. Do you not think it is a serious matter that that should be the case? A. Yes, because all contractors are in the same position.

Q. In respect to one item especially in which one tenderer placed the figure at \$19,500, it does seem a serious matter? A. Of course all forms of tender should be alike.

Witness retired.

SESSIONAL PAPER No. 57

MONDAY MORNING, February 5, 1912.

PRESENT:

Hon. A. B. MORINE, K.C., *Chairman.*R. S. LAKE, *Commissioner.*

JOHN LUMSDEN, lumberman, sworn.

*Examined by the Chairman:*

Q. You reside at Lumsden's Mills? A. I reside here in Ottawa. My business is at Lumsden Mills.

Q. Did you reside there in November, 1908? A. I did not reside there, my home has always been in Ottawa.

Q. You were a tenderer on the 19th November, 1908, for the Lake Timiskaming dam? A. Yes, sir.

Q. This is your tender which I now produce? A. Yes, sir, that is my signature anyway.

Q. Was the site of the dam near your mill? A. Yes, sir.

Q. Which is situated on what stream? A. Gordon creek.

Q. Consequently, so far as the dam was concerned, you would be in an advantageous position in that you could cut your timber and, if necessary, saw it to size? A. Not necessarily for that job, I intended to buy it.

Q. You intended to buy all the timber that would be needed? A. Not all.

Q. But the major part of it? A. Well, a portion of it.

Q. Where did you get information upon which to make your tender? A. I got the specifications and went at it myself.

Q. At what office did you get it? A. I think I got it at the Department. I am not sure about that. I do not know whether I got the first one from a little office across the street where Mr. Perrault, engineer, was, or whether I got them up in the Department first and went to see Perrault after.

Q. I presume you saw the plan? A. Oh, yes, sir.

Q. At Perrault's office? A. No, sir, I saw that in the Department.

Q. Then with the plan and specification you worked out your own quantities? A. Yes, sir.

Q. Did they give you any information about it except in that way? A. No, sir, I did not get any information about it at all.

Q. We are told that the plans and the specifications make no reference whatever to concrete, but in the schedule of prices attached to the tender item 22 is 'concrete 1 x 8 x 5 in foundation,' and you filled out the quantity at one thousand yards at eight dollars per yard; now, can you remember where you got the idea that any concrete was needed? A. It said so on the specification and on the plan.

Q. No? A. Well, the plan that I saw had it, because I will tell you how I got it, on the plan it showed where there was a large two-inch or two and a half inch anchor bolt and this bolt was to go down a distance into the bed of concrete between the timber piers.

Q. I now show you the plan, will you point out where that is? A. It was for to anchor that bolt there (indicating).

Q. At the bottom of each pier there is shown on the detailed plan what is called a rock bolt? A. Yes, sir.

Q. To what extent did you suppose that concrete would be required there at that rock bolt? A. It was to put that bolt into in the event of our not being where there was rock.

Q. And in such a case as that, how much concrete would you have to put around each bolt? A. I think we figured on the basis of something like the width of the pier which I believe was 5 x 6 x 3 feet deep.

Q. And if there was no rock you would put down a 5 x 6 x 3 concrete block? A. Yes.

Q. Did anybody give you any information as to the number of places where that would be necessary, or did you simply have to guess that? A. I took it to be every pier, but nobody told me.

Q. That is every pier in the water, but of course there is a portion of it that gets up on the island? A. Well, it is more or less in the water, even at that.

Q. You mean to say in high water? A. Yes.

Q. You calculated you might have to put cement concrete in that way at the bottom of each pier? A. Yes.

Q. That would be just one place at one side of each pier? A. Well, yes.

Q. That bolt is at the upstream edge of each pier? A. Yes, sir.

Q. And it is just one bolt? A. Yes, sir.

Q. And in your calculations you calculated that you would require to put one of these at each one of the piers? A. Yes, sir.

Q. There was nothing in the shape of information furnished you from which you could come to such a conclusion, except your own knowledge of the locality and your belief? A. Well, I could not just recall that because I had several conversations with Mr. Perrault, the engineer, at the time.

Q. In which you would probably ask him on this point? A. Yes, because in making out the figures, in certain interviews I got stuck and I had to get information, but I do not suppose I interviewed him over four or five times.

Q. We have examined Mr. Perrault here and he says that neither the plans nor the specifications show any concrete, and that the only place where concrete would be needed was in any cracks or interstices that might be found in the rock formation? A. Well, he is the man I got any information that I got from, which was not there. I am not prepared to say now that he said there would be concrete at each place, but I took it upon myself to safeguard myself that there would be.

Q. In any case, so far as a written or printed statement of places where concrete would be needed goes, it was not furnished? A. No.

Q. It may be of some interest to you to know that Rainboth, who was a contractor, put only two hundred yards of concrete in for that work. The successful tenderers, Kirby & Stewart, gave no quantity nor did Conroy & Conroy, of Peterborough give any quantity. You and Rainboth are the only two that gave any and you put one thousand yards and he put two hundred yards, apparently, indicating lack of precise information upon which to make a tender. The next item I want to draw your attention to is Item 23 'unwatering.' A bulk sum of \$54,994 was put in your tender. By way of comparison I may mention that Rainboth had \$15,000, Kirby & Stewart had \$4,000, Conroy had \$20,000, so that the tenders for this range all the way from \$4,000 up to nearly \$55,000. Will you tell us how you made out the unwatering item? A. Well, without making a short answer, from practically living there for twenty-five years.

Q. How did you arrive at the peculiar sum of being just \$6 short of \$55,000? A. Oh, well, that came out in this way; I always maintain that \$50,000 was my price for unwatering. The other came in in fixing up the figures to \$265,000 which was my bulk sum.

Q. Your bulk sum is \$265,953 and when you were going on with the schedule of prices you put in that large amount for the unwatering so as to make the schedule agree with the bulk sum? Is that the idea? A. It was something in that way, I have forgotten just exactly how it occurred, but \$50,000 was what I intended for the unwatering.



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Q. And the \$4,994 represents the difference between the two calculations? A. Yes.

Q. What did you understand in your own mind was the method of unwatering that would be required? A. Oh, to dam the river off.

Q. Were you going to put a coffer dam right across the river? A. Yes.

Q. Part at one side and part at the other? A. Yes.

Q. I presume you intended to coffer dam the Ontario side first? A. Well, the Ontario side was really dry. Of course that all depended upon the location of the dam.

Q. But in the location that was intended at the time you drew the plan and which was shown on the plan there, it was not entirely dry on the Ontario side? A. No, sir.

Q. It was in the water all the way across except on the island at very low water? A. Yes, sir.

Q. In the Ontario side there where it was intended to put the dam at that time, did you contemplate putting a coffer dam over there? A. Yes, sir.

Q. Before you did the other stream? A. No, I was going to do the Quebec side first.

Q. Why was that? A. Well, I thought it could be handled to better advantage.

Q. Were there any special reasons for that? A. Well, partly as the water was very low that year.

Q. That was in the fall of 1908, when you were tendering, when would you have done that work? A. Right at once.

Q. That very autumn? A. Yes, sir.

Q. Then, in taking the Quebec side at that time and in that way was it merely because it happened to be very low water that year? A. Yes, sir.

Q. In putting your coffer dam across there, how would you have unwatered the lake while the work was going on? A. Through the Ontario side.

Q. Would it be necessary for you first to do any excavation on the Ontario side? A. Yes, sir.

Q. And to take away that part of a bar which existed there? A. Yes, sir.

Q. Would you have done that at the same time that you were unwatering? A. Yes, sir.

Q. Would you have done that by simply taking the narrow channel through the centre? A. My intention was to put a couple of steam derricks up there with a long boom and to take the boulders up and save them for filling and take them off and let the water do the excavating.

Q. What would happen then? A. When I dammed the Quebec side, that would raise the water and it would go through that side.

Q. As you kept on building your coffer dam across, the water would be rising on you all the time? A. Yes. It would have scoured it out.

Q. In your contemplation you would have that coffer dam across the Quebec side in a short time? A. Yes.

Q. What time would you allow ordinarily to have done that? A. I was going to allow three months to do that.

Q. The coffer damming? A. Yes.

Q. Would you have gone on to build the dam proper during the winter? A. Yes, sir.

Q. Would you have done the necessary excavation and put your dam over there? A. Yes, sir.

Q. Then, in the spring, where would the water go; would it go over the Ontario side, or would you be ready with your dam to let it go through on the Quebec side? A. I would have to be ready with the dam.

Q. When does high water come there? A. That is hard to say, sometimes I have seen it as early as the 15th of May, and in other years it has been the 15th or 20th of June.

Q. Even so, \$50,000 for that coffer dam, unless you were providing for contingencies which you feared, would be a pretty large amount; did you have anything else in view? A. No, sir, that would not have been a pretty large sum.

Q. From the figures which have been given by various witnesses here, I should think it would be, unless you had some specially powerful dam in view? A. No, sir, it is a hard site to build a dam at.

Q. In what way? A. Well, it is a hard thing to control the water. It is a hard thing to get that coffer dam in. As a matter of fact, every time I see the proposition, I shake hands with myself and say: Well, you are one fortunate sucker, anyhow.

Q. As a matter of fact the result has shown that you were right in believing that it was a very hard proposition? A. Yes, sir.

Q. But many men are wise after the event, and to some extent you see you are wise after the event, still from your knowledge of the matter you had more wisdom than the others and you knew it was a difficult proposition? A. Two of the contractors never saw it. Well, I might say that Rainboth has seen the place in a casual way. As far as the other contractors were concerned, they depended upon the specifications and the plans, I think. They seen it, however, when their tender was in, because I took them up there personally myself and showed them all around.

Q. Do you mean Kirby & Stewart? A. Yes, I took them over the rapids in a boat with Mr. Perrault and Mr. Stewart, but, previous to that, they had never seen it and I think they felt pretty shaky when they had seen the place.

Q. Is it not an astonishing thing for people to contract for work of that kind without ever having seen the place? A. I think they depended altogether on the information.

Q. From the nature of your business, you are a dam builder to some extent? A. Yes, sir, I have had some experience of it.

Q. You have to build dams in the lumbering business and you know the difficulty of the work? A. Yes.

Q. And then you were very familiar with the Timiskaming? A. Yes, sir, particularly.

Q. Had you any general knowledge of the dam on the Quebec side? A. I went down there in a boat and we sounded and all that kind of thing. I knew it was a boulder bottom and we made some tests. We took and put an auger on the end of it and we put that down in between the boulders looking for rock to find out how far we would have to go before we struck rock foundation.

Q. Did you get the rock foundation? A. No, sir.

Q. The result has shown, not only that it is a boulder bottom but that the boulders were embedded in sand, and that along that slippery sandy bottom the scouring is continually taking place? A. There has been scouring in some places.

Q. You anticipated that to some extent? A. Yes, I was afraid something of that kind would take place.

Q. But, as a matter of fact, the work was not started until when? A. The following spring. Well, pardon me, you said "work," of course there is a difference between the work and the men getting on the site. The contractors were there anyway previous to the first of June, but work actually did not start until some time after that.

Q. The Ontario side was done first? A. Yes, sir.

Q. It was not until the fall of 1910, or two years afterwards, that they started to put the coffer dam across the Quebec side? A. Yes.

Q. In the spring of 1911 it went out? A. Yes.

Q. And in the spring of 1911, the water was more than usually high, was it not? A. No, sir, it was higher in Lake Timiskaming due to the dam being in, but if the dam had not been there it would only have been ordinary water.

Q. Was not the channel on the Ontario side by that time sufficient to carry off the usual extra water? A. No, sir.

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Q. The water would still have to rise considerably in Lake Timiskaming to make it flow off very easily through the Ontario side? A. I do not think you could fix it any way so that it would flow off through there and be anything like normal.

Q. You think that the dam there now on the Ontario side, no matter how it is fixed, is not capacious enough to carry off the extra water? A. I do not think so, but I am not an engineer. These fellows that are engineers can calculate how much water will run in a minute and how much space it occupies and so on, but from my looking at it, it does not look as though it would do the work although it probably will.

Q. The original location of that dam was changed? A. Yes, sir.

Q. And on the Ontario side the dam was carried well down? A. Yes.

Q. And on the Quebec side it was carried down somewhat? A. Yes, sir.

Q. And on the new site on the Quebec side, is it at the beginning of the rapids?  
A. No, sir, it is down the rapids, a matter of perhaps a thousand yards.

Q. So that until the thing is coffer dammed across, the water would be very rapid there? A. Yes, sir.

Q. Would that affect the scouring action along the bottom very much? A. Well that all depends on how much boulders have been disturbed. If they have not been disturbed it should not affect it. It has been there for centuries.

Q. But I presume the building of the coffer dam itself would in some sense disturb the boulders? A. Why so?

Q. Have you not to keep driving into the bottom under the coffer dam? A. There are boulders there that are half the size of this room, and the setting down of the dam on that, I do not see how that would scour it.

Q. But between the boulders, would not the dam to some extent be disturbed?

A. Oh, well, those boulders are pretty tight together.

Q. And the coffer dam is just being set on the boulders? A. Yes.

Q. Then, of course, the actual excavation from the main dam itself would be considerably down stream from the coffer dam? A. Yes, sir.

Q. And, disturbing the boulders there for that purpose? A. Oh, that would scour out.

Q. Would it scour out as far as the coffer dam behind? That is a very important question, is it not? A. Yes, but I do not know how you could get them started, and come back one at a time.

Q. I understand they are having great difficulty in getting the coffer dam built tight? A. Yes, sir, I was there on Saturday.

Q. Was the coffer dam tight on Saturday when you saw it? A. No, it is not absolutely tight.

Q. Are they going on with the excavation of the site for the main dam now? A. Well, they are trying to get it dry, they are excavating on the extreme north of the Quebec side.

*By Mr. Lake:*

Q. Are they likely to get it completed before the spring, if all goes well? A. Well, I cannot say.

*By the Chairman:*

Q. When the spring freshet comes, if the Ontario side is not sufficient to carry off the water it must come over the dam on the Quebec side? A. Yes, either that or blow it out.

Q. Before that time the foundation for the main dam and some of the piers ought to be in? A. I do not think it is possible, sir.

Q. Then, what would be the natural effect of the rush of the water through the Quebec side on the work that has been done on the main dam? A. Well, it is going to dig it up more or less; I guess they will find it full of sediment again.

Q. Do you think that the coffer dam would dam the water in the spring of the year if the pressure is heavy? A. The part of it that was put in to replace the piece that went out will sure stand until Kingdom come.

Q. It has been put in very heavy? A. Yes.

Q. That is part of that coffer dam on the Quebec side which was put there by contractors? A. Yes.

Q. It has stood so far? A. Yes.

Q. And do you think that may prove to be a weak place? A. It might. However, they have not built the new portion to replace the old part that went out, so high and they intend to let the water run over and form what we call a rolling dam, which means to let the water roll over it.

Q. With regard to the site of the dam and the difficulties of coffer damming and so forth, has the change of site increased or decreased the risk? A. To my notion it has increased the difficulty.

Q. That seems to be the general notion of those who have testified, except, of course, those who are responsible for it; what makes you think that? A. Well, that is to make a comparison, if one site a little smaller could be compared with a site as large as that. I lost \$20,000 one year building a dam because I thought I knew more about it than older heads, and I have come to the conclusion now that if you want to build a dam you should build it just where a beaver would build it. It seems a very peculiar comparison, but the Lord has given the beaver instinct enough to know just where to put the dam. In that case where I lost \$20,000 I thought that in going down the rapids and putting the dam there I would get rid of building a rolling dam below. Some of the men suggested that I should put the dam at the lip of the lake where the least resistance is, just where the water begins to get through. The suggestion of damming at the lip of the lake was a good one, but I said No, that is no good, we will get out of that altogether and we will build a dam here and we will get rid of the dam up above and the dam below, and make one dam do the two jobs. I left 80,000 logs in the creek that summer. The idea was that the dam was too far down, we could not clear it, and I realized from that experience that you could not put logs through a dam in the middle of a rapid and that is why I think the Timiskaming dam is going to prove of some difficulty in handling it.

Q. That is even after it is built? A. It proved that last summer, because they shot up a lot of dynamite to keep the logs away from the front of the piers. What provisions and alterations they will make in the future I do not know, but they will probably arrange something that will overcome that difficulty.

Q. Dealing first, with the difficulty of building the dam there, you feel that the moment you get down into the rapids portion of the river you have much more difficulty than at the lip? A. Yes, sir, you are that much further done. The water will strike its level. You have to build your coffer dam that much higher, and you have that much more pressure on the dam.

Q. Would you say that the scouring action is much greater down the stream?  
A. Oh yes.

*By Mr. Lake:*

Q. Do I understand it is going to be more difficult to bring the logs down because of the dam being built down the rapids? A. Well, I suppose they will take warning by what they have seen last summer. They had lots of demonstrations then to show what it would do.

*By the Chairman:*

Q. Will you explain to us, as a practical lumberman, how in working your logs through, supposing the dam to be once built, it becomes more difficult to work the logs than if it had been on the other site? A. Well, they have got to rig up a set of glance booms to direct the logs down to a certain opening in the dam.

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Q. That is because the dam being in the rapids the water is rushing along? A. You cannot tell when a log is going down river whether it will go lengthwise or broadside, and it will go up against the piers, and at any moment form a jam.

Q. And at the lip the log would be in comparatively still water and be easily guided? A. Yes, in water like that, you could twist them any way you want to, and if the log is going down sideways you can shoot her head off.

Q. Your dam is now situated in the rapids and your logs are running there very rapidly and you have all the difficulty of controlling them, whereas, had the dam been built in the quieter water they could easily have been handled? A. Yes.

Q. In other words, after you have the dam there you have the same difficulty in controlling the logs that you had in the original rapid? A. Yes.

Q. And you have to have your glance booms? A. Oh yes, there have to be booms there, that was always the intention.

Q. Will there be a tendency from having built the dam in the rapid, to increase difficulties below the dam in handling logs? A. I do not think so. Once they are through it is all right. There is no descent after that. It is not a parallel case to the one I cited; the descent is not enough. There is sufficient water and the logs float away.

Q. I did not know but that possibly, because of the manner in which the dam was constructed, it might make the water somewhat more rapid below? A. No, I do not think so.

Q. Then, in your opinion, the site of the present dam, as compared with the site originally proposed, for the wooden dam makes the construction of the dam much more difficult, and the operation of the logs much more difficult? A. Yes, that is from an ordinary layman's standpoint.

Q. Not from an ordinary layman's standpoint, you are a practical lumberman? A. Well, it is not up against mathematical calculations. Those engineer fellows ought to know more about that in a minute than I would know all my lifetime.

Q. Have you such a great respect for theory as compared with practice? A. Well, they ought to know, they can tell you how much water runs there in a minute and all that sort of thing.

Q. I do not see that they ought to know any better as compared with a practical lumberman who has been on the site and knows the water thoroughly and has any amount of experience? A. Yes, but the one thing is this: these gentlemen can take a piece of paper and a pencil and figure it out to anybody and prove such is a fact, and all we can say is that we have never been able to do it. If you tell them about a case they will answer you that these are not parallel cases and that your idea does not apply, and we have no figures, we are guessing at it.

Q. Perhaps they are guessing too? A. They say figures don't lie.

Q. What you mean to say is, that theoretical men are generally satisfied with their theories? A. Yes and able to convince others.

Q. Or able to silence others? A. Well, that is about it.

Q. They don't convince you, for instance? A. Not all the time.

Q. Did you, at the time you put in your tender, have the slightest reason to suppose that a concrete dam might be put there instead of a wooden dam? A. Yes sir—well, I cannot say definitely whether when my price went on that I was actually figuring on that. I think I am safe in saying that I am one of the first that suggested a cement dam, not to the Department, however, but in conversation with other lumbermen. I suggested the fact that it was a pity it was not a cement dam.

Q. You thought generally that at such a site cement should take the place of wood? A. Yes.

Q. But what I wanted to get at is this: when being asked to tender, was it intimated to you in any way whatever that in tendering for a schedule price you should bear in mind that you might be called upon to build a concrete dam, instead of a

wooden one, in that tender? A. No sir, I do not think so. Of course, Perrault was the only man I talked to, and I do not think that ever came up.

Q. As a matter of fact you could not have built a cement dam for the bulk sum you put in? A. No.

Q. Your bulk sum of \$265,000 was made up on the basis that it was going to be a wooden dam? A. Yes, sir, however, it was in there at \$8.00 a yard.

Q. You did give a schedule of prices at \$8.00 per yard for concrete in foundation, which you estimated at one thousand yards. Now, by the terms of that tender that price would apply to any extra work which you might be called upon to do. That is to say, work which is not shown in the plan or specifications, that the engineers might ask you to do extra. Furthermore, that concrete 1 x 3 x 5 is a particular mixture, it means a certain number of parts of concrete, stone and sand? A. Yes, one of cement, three of gravel and five of stone.

Q. It has been explained to us here that when doing a cement concrete dam of large proportions that in some portion of the work a much larger quantity of stone could be used, such as boulders in the platform, and it has also been testified by Mr. Rainboth that the question of the extent to which the use would be permitted of these ingredients would affect very much the price per yard of concrete, so that he said that the tenderer would have to know beforehand to what extent he might be allowed to use these ingredients to fix his price? Is that correct? A. Yes.

Q. Had you a large experience with concrete work? A. I cannot say it was very large.

Q. I mean to say large enough to enable you to give a rate for a concrete dam? A. Oh yes, however that does not mean that while I said \$8.00 there I would want to take the dam, as a whole concrete dam, at \$8.00.

Q. As a matter of fact, later on when they decided to build a concrete dam, they simply took the prices for extra work which had been given in the different tenders and made up figures as to what it would cost. You were the lowest tenderer for concrete per yard, you were fifty cents lower than Kirby & Stewart, but they made your total larger even for a concrete dam, by adding only \$4,000 to his tender for unwatering and by adding \$55,994, to yours for unwatering, and then they said Kirby & Stewart are still the lowest tenderer? A. I am glad the good Lord prompted them to do that; I am tickled to death they fixed it that way.

Q. Did you get any notice whatever that your tender was received when they were going to build the concrete dam? A. No, sir.

Q. Or any request to come in and build it? A. No, sir.

Q. You never heard any more after you got your cheque back? A. No, sir, and I got it back quick, the next day.

Q. Had you time to change your mind and wish to have it back? A. No.

Q. If you had been called upon to build the concrete dam, it does not follow that you would have put in a price of \$8.00 per yard? A. No, sir.

Q. It would have been a very different proposition altogether? A. Absolutely.

Q. Absolutely different work? A. Yes.

Q. You had in view only a wooden dam? A. That is it, and the cost of unwatering would have been twice what I put in if I had to unwater for a concrete dam.

Q. Why would that be? A. Because you would have to make it absolutely dry or next thing to absolutely dry, and cut all curves off, and with a wooden dam you would not have to do that.

Q. With a wooden dam would it have been proper at that site to have floated out the piers for the foundation of the dam and sunk them without unwatering? A. For a permanent dam?

Q. Yes? A. No, sir.

Q. In hearing the evidence of some of the witnesses here, I may say that one engineer suggested that that might be done, and it occurred to me as a layman that

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that was the most dangerous proposition I had ever heard on a bottom of that kind? A. I think it would have been an absolute impossibility. Furthermore, you would have to get that sufficiently dry even for a wooden dam, to make sufficient excavation to get down to the bottom where the bottom would hit level and would not be crooked under it when the pressure came on. I do not think you could have floated them out. They have an experience of that up there now, trying to float their piers out for a coffer dam.

Q. The proposition has been made here by one of the engineer witnesses that Kirby & Stewart on the Ontario side, at the old site, could have built the dam without any coffer damming whatever, by simply floating the piers out for the dam and sinking them, would that not be possible? A. No, it would not have been possible. Oh well, it would have been very much easier than trying to do it on the other site, because on the old site, on the Ontario side, it was absolutely calm water. There is no current at all when the water was down because this barrier of rock went across there and it was absolutely dead water. You could bring the pier out there and set that down.

Q. Could you have got a bottom on that side without unwatering, that would have justified putting the dam there? A. No, I would not think so.

Q. You remember that the agreement was that they would clean out beyond the dam, even on the Ontario side, so as to provide a flow? A. Yes, sir.

Q. In that case you would have the dam sitting on a bottom which had not been cleaned out or examined dry, and then you would have had the back water coming from the dam? A. Yes.

Q. It seems to me you could not expect the dam to hold that at all? A. No, sir, the engineer, whoever he might be, would not allow that.

Q. From the very first, coffer damming across became a necessity? A. Yes, sir.

Q. Then on the Quebec side you could not have held the coffer dam there itself in time by such a method as that? A. That has been their method now, bringing out the piers and setting them down for the coffer dam and it has been a difficult process.

*By Mr. Lake:*

Q. You say they have a coffer dam now that will last until Kingdom come? A. Oh, yes, that part of it will stay there.

*By the Chairman:*

Q. Has that part that has been put down, been brought out and put down in that way, or have there been piles driven in front of it? A. No, sir, I do not think so. I think they attempted to drive down the sheeting in front but there is nothing heavier than a two-inch plank put down and it was brought out and set on those boulders and there is part of it setting good.

Q. What is there in the new part that makes you think it will stop there? A. It has an immense width, it is twenty-five or thirty feet wide. It is filled full of broken stone from the bottom to the top and it is eighteen feet or twenty feet high.

*By Mr. Lake:*

Q. Is there much difference between the height of the coffer dam and the height of the other? A. I think there would be probably fifteen feet, it is intended the water should run over it. There are no openings in the coffer dam and no way of regulating.

*By the Chairman:*

Q. And besides, the surplus water, which they want to hold back to some extent, will run off over the top of that? A. Yes.

*By Mr. Lake:*

Q. About Kirby & Stewart, you said they had never seen the site, until you took them over it? A. Yes.

Q. And then you say they felt rather shaky about the whole proposition? A. They did not say so but my inference was that.

Q. What time of the year was that? A. I think I took them over there in December.

Q. At that time the water would be very low? A. Yes.

Q. And the thing would look in its best shape? A. They would see more of the contingencies then, any more than the fact there was quite a lot of snow on the ground. I think in the running stream you could see them to the best advantage.

Q. On the other hand, the quantity of water flowing would be very small and they would hardly know what the lake looked like when it was in full flood? A. Yes.

*By Mr. Lake:*

Q. At that time, had they any material on the ground? A. No, sir.

Q. As far as you know they had made no expenditure at that time? A. I do not think so, not as far as I know.

Witness retired.

OTTAWA, WEDNESDAY AFTERNOON, February 14, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

THOMAS SYDNEY KIRBY, Contractor, sworn:

*Examined by the Chairman:*

Q. You are a member of the firm of Kirby & Stewart? A. Yes.

Q. How many partners does that firm contain? A. There are four.

Q. Who are they besides yourself? A. Mr. Stewart, Mr. Larmonth, Mr. Roger and myself.

Q. They have it stated somewhere that it was Mrs. Roger; it is Mr. Roger? A. It may be Mrs. Roger, but I do not know; perhaps he is acting for her. Mr. Roger is a partner of mine in other business.

Q. But Mrs. Roger may be the partner in this concern? A. It is quite possible, yes, sir.

Q. When was the firm formed? A. It was formed for the purpose of putting in a tender for the Timiskaming Dam.

Q. Has it since been continued, as a contracting firm, for other purposes? A. We have not entered into any other contract.

Q. Not under that firm name? A. No.

Q. You were a contractor yourself, were you not, before this? A. Yes.

Q. And with Mr. Roger, you say you have other contracts? A. Yes, sir.

Q. What class of other contracts had you engaged in before making the Timiskaming Dam contract? A. More particularly in connection with municipal work.

Q. In the City of Ottawa? A. In Ottawa, Kingston, Belleville, and other places.



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Q. Is Roger a practical man, too? A. Yes, he is. He was connected with a contracting firm here and did a lot of municipal work in town.

Q. Is he with you in connection with other contracts? A. We have no contract at the present moment; he is a partner of mine.

Q. What did you call the firm? A. The T. Sidney Kirby Company, Limited.

Q. In November, 1908, you put in a tender for a wooden dam at Lake Timiskaming? A. Yes, sir.

Q. And you were apprised soon afterwards that the contract would be given to you? A. Yes, sir.

Q. Were you the active man in calculating and putting in the tender? A. Yes, well we all took a hand in it.

Q. You were a party to the negotiations at that time? A. Yes, sir.

Q. Did you visit the site of the dam before tendering? A. Well, I cannot tell you that from memory. I went up there when there was snow on the ground, I remember.

Q. Mr. Lumsden says that some of your firm, perhaps yourself, visited there with him some time in the winter of 1909? A. I know the snow was on the ground.

Q. You know Mr. Lumsden of Lumsden Mills? A. I do.

Q. Were you there in company with him? A. I met him there.

Q. That would be after you had tendered for the wooden dam? A. I cannot answer that.

Q. Your tender was early in November, so that you must have tendered before you visited the site at all? A. On that occasion, possibly.

Q. I am speaking of this particular tender just now; what data would you have upon which to tender outside of the plan and specifications? A. Well; I knew the locality, I had been there before.

Q. You knew the locality generally? A. I had been there before that.

Q. How long before? A. I do not know whether it was the summer of that same fall, I stopped off there for a while on my road up the lake.

Q. What season of the year would that be? A. Some time in the summer.

Q. Were you, at that time, thinking of making a tender for the work? A. No, sir.

Q. Did you know anything about it at all at that time? A. No, sir.

Q. Did you study the river conditions there then? A. No, sir.

Q. Outside of the plans and specifications, did you have any data upon which you could make a tender for that particular work? A. Nothing more than just what I state.

Q. Just passing through casually, looking at it, and without investigating it at all? A. Yes.

Q. And when you did put in a tender, the only tender you did put in, it was for a wooden dam? A. Yes, sir.

Q. And soon afterwards you gave orders for some timber did you? A. Yes, sir.

Q. Do you remember when you first heard it was intended to build a concrete dam instead of the wooden dam? A. No, I cannot tell you. We were told they were considering a change in the composition of it, that is all.

Q. Who told you? A. I do not remember. I do not know whether it was by telephone or not; I went up to the Department.

Q. Did you go there yourself to see about it? A. I do not know, I say it may have been by telephone.

Q. I don't want "may have been"; were you called up there to see about this matter? A. No, sir.

Q. Then, you did not consult with them about turning it into concrete? A. I did not.

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Q. Speaking from your own personal knowledge, when did you first hear that the dam was to be of concrete, and not of wood? A. When we were notified. I think they notified us by letter.

Q. Inasmuch as the change from wood to concrete was a very important thing, and you had tendered for a wooden dam, you ought to have a pretty clear recollection of what took place unless the business was conducted by somebody else than yourself? A. Well, the correspondence will show that. That is all I know about it. I think we have a copy of the correspondence, too.

Q. I am not troubling about the correspondence; I am asking you about what took place that you know personally about. On March 19, 1909, the Assistant Deputy Minister of Public Works appears to have addressed a letter to you, in which he says:—

“I have to inform you that a contract for the construction of the dam at Lake Timiskaming has been awarded to your firm at the rates stipulated in your schedule list of prices, the dam to be built of concrete instead of timber, according to new plans that are now being prepared.”

That is the first notice we find here. That was the first letter which was sent officially to you. Now, you had been told in November that you were to have the contract for the wooden dam? A. I cannot answer that, I do not know.

Q. Do you mean to say that after you tendered in November and until you heard in January, by this letter, that you did not know whether you had the contract for the wooden dam or not? A. My recollection is that in asking about the deposit cheque and things like that, when our tender was under consideration, and that is the first intimation we had. Of course, that is three years ago, and I cannot recall it.

Q. Well, it is not quite two years ago, and the business has been in operation during all that time, and it was only a short time ago you had the work taken off your hands; you must have the matter pretty fresh in your mind if you were the active business man in the work. We desire to get the evidence as fairly as we can. If you don't know, I would like you to say so, and we will have to send for your partner or somebody else who does know? A. I will answer as best I can.

Q. You tendered in November, 1908, and in March, 1909, you were notified that a concrete dam was to be begun; I asked you a moment ago if you had ordered timber and you said “yes.” A. Yes.

Q. Now, I ask you how you heard you were going to have the contract for that dam? A. I cannot recollect that.

The witness is shown a letter dated the 29th December, 1910, addressed to the Minister of Public Works.

Q. Is that your signature? A. Yes, sir.

Q. It is signed “Kirby & Stewart, per T. Sidney Kirby;” is that your signature? A. Yes, sir.

Q. Did you write that letter? A. I certainly signed it.

Q. Did you compose it? A. I suppose I did, I cannot answer that.

Q. You don't know? A. No, I do not. The office work is all done in Elgin street, do you understand, and the probabilities are that I was there.

Q. I did not ask you if you were there—this is a letter containing seventeen pages, typewritten and signed by you and certainly composed, and I ask you whether you composed or dictated that letter? A. I certainly was a party to it. I signed it.

Q. You had better not beat around the bush; please answer the question? A. I am not trying to beat around the bush.

Q. I ask you to answer plain yes or no, did you dictate or compose that letter? A. I cannot answer that, I cannot answer without seeing the letter.

Q. Certainly, you can see the letter, you have it there? A. I do not remember what the circumstance is.

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Q. You must remember something about that long letter? A. I have not seen this letter for three years. This letter was prepared by Mr. Stewart and myself.

Q. Who dictated the letter; it was dictated to a stenographer or typewriter, I presume? A. I may have dictated it.

Q. I did not ask you who may have dictated it, I asked you who did dictate it? A. I cannot tell, for instance, my lawyer may have been present.

Q. Who is your lawyer? A. Mr. Chrysler.

Q. Was he present? A. He was present, but when that letter was written or not I cannot say. He was present when the purport of it was arrived at.

Q. Precisely, and you and Mr. Stewart, the members of the firm and Mr. Chrysler discussed the purport of this letter? A. Yes.

Q. And it was then prepared? A. Yes.

Q. That answers the question? A. I had not any idea of what letter it was until I saw it, so that there was no disposition not to tell all about it.

Q. On page 3 I find:—

“The tender was accepted and we were verbally notified of its acceptance shortly after the 14th November, 1908.”

You will notice the words “verbally notified.” You signed that statement and I ask you now if you were verbally notified? A. That is what I said a while ago, that is my recollection that we were.

Q. I ask you if you yourself were verbally notified? A. Yes, sir.

Q. Who notified you? A. I do not know, in all probability it was Mr. St. Laurent.

Q. Do you think it was Mr. St. Laurent? A. Yes.

Q. I find here a letter from your firm to Mr. St. Laurent, dated December 28, 1908, saying:—

“After carefully looking over the site, we are of the opinion to begin and complete the dam.”

That would probably fix about the time you went up there? A. Yes.

Q. What is the date of that? A. In 1908.

Q. Yes. You had received a letter from Mr. St. Laurent, dated the 23rd December, two days before Christmas, and five days later you answered it. Mr. St. Laurent was urging that the work should be commenced at once and you replied that after again carefully looking over the site you were of opinion that it would be impossible to begin; so that you may have been up there between Christmas and New Year's to look at it? A. Yes.

Q. Can you recall whether you were there or not then? A. I cannot.

Q. Then your letter refers to the letter dated the 19th March, 1909, which I have just mentioned, showing that by that letter you were aware in February that the dam would be changed from a timber dam to a concrete dam. Now, I want to know this: prior to receiving that letter on March 19, did you discuss the question of building the dam of concrete with anybody on behalf of the Government? A. No, sir.

Q. You never had a word about it? A. I do not recollect having.

Q. Do you mean to say that you were awarded the contract for building the concrete dam without having any prior discussion about the matter with the authorities? A. Unless the question of the schedule came in.

Q. But you had tendered for a wooden dam? A. Yes, with an amended schedule.

Q. What do you mean by an amended schedule? A. The list of prices.

Q. With a list of prices for extra work. A. Omission or addition.

Q. But you were aware that that was omissions or additions to the wooden dam? A. Yes, and alteration.

Q. You put a bulk sum in for the wooden dam? A. Yes.

Q. When you put a bulk sum in for the wooden dam, did you contemplate a concrete dam? A. No.

Q. Did you have any thought in your mind that it was going to be a concrete dam? A. No.

Q. Did you have any hint that in fixing the figure for concrete in the foundation of the wooden dam you were also fixing a figure which would be held to for building the whole concrete dam? A. Absolutely none.

Q. Absolutely none, when on March 19, you got word that you had been given the contract for the concrete dam you would be astonished altogether would you not if you had not had any previous conversation about it? A. It is possible I had but I cannot remember.

Q. Try and brush your memory up because it is impossible for us to believe you did not have some communication of some kind about it and that you did not know? A. I do not know, you understand. I have had no opportunity to refresh my memory or anything else, but I will do the best I can.

Q. It could not require a man of your ability to refresh your memory about a thing so obvious as that. You had tendered for a wooden dam, and you had been verbally told that the contract was awarded in November, and four months later in March, you got word that you had been awarded the contract for building the concrete dam about which nothing had been written between the parties—now I ask you if between the date in November when you were told about the wooden dam and the date in March when you got the letter to go on with the concrete dam you had had any verbal communication with the Department? A. Certainly nothing official.

Q. Well, was there anything unofficial? A. I cannot recall it.

Q. Do you swear there was not? A. Of course, I have already sworn, what I do swear is that I cannot recall any conversation.

Q. Can you recall anything? A. No.

Q. Do you wish the Commission to understand that so far as you are concerned at the present moment you knew nothing between November and March about the concrete dam until you got this letter? A. What I said a moment ago was this, do you understand, that when we were asking questions it may have come up in connection with the deposit cheque, but I do not just remember, and perhaps the statement was made then that there was a discussion as to changing the construction of the dam. But I cannot tell you now who that discussion was with.

Q. You don't know who it was you discussed it with? A. I do not know.

Q. Was it Mr. Laurent? A. I cannot tell. It was one of the officers I presume.

Q. Was it the Minister? A. No, I never went and saw the Minister.

Q. You never went and saw the Minister at all? A. I think I saw him once after the work was going on.

Q. In your conversation were you asked whether you would go on and build the concrete dam for the price you put in for concrete in the foundations of the wooden dam? A. It is quite possible.

Q. You are apparently starting to dodge around the question? A. Excuse me, I am not trying to dodge anything.

Q. I ask you a simple straight question and try and answer it straight if you can, answer yes or no, or say you do not know. I ask you if you were asked would you build the concrete dam for the price you put in for concrete in the wooden dam?

Q. If you had been asked? A. If I had been asked I would have said yes.

If you had been asked? A. If I had been asked I would say yes.

Q. My question is: were you asked. Let me put the question again. Prior to receiving the letter dated March 19, 1909, had you been asked on behalf of the Government if you would build a dam of concrete at the price which you had named

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in your previous tender for concrete work in the wooden dam? A. The only answer I can give to that is I do not know because I cannot answer it intelligently.

Q. On the 22nd of March, 1909, your firm answered this way to the Assistant Deputy Minister:

"We beg to acknowledge receipt of your favour of the 19th instant, advising that we have been awarded the contract for the construction of the dam at the foot of Lake Timiskaming."

Now, was that letter sent by you? A. It must be. Mr. Stewart signed letters and I signed letters, I generally knew all the letters going out.

Q. You don't recollect whether that letter was signed by you or by him? A. No.

Q. Do you remember the letter being sent? A. Yes.

Q. And you now say that although you acknowledged the receipt of the notice that you had been awarded the contract for building the concrete dam, you don't know whether you had been asked before that whether you would build it or not at the price? A. No.

Q. You were directed by the letter of March 19 to confer with Mr. Coutlee, did you do so? A. Yes, sir.

Q. And you learned from him the location which had been decided for the Ontario dam, did you? A. I went up with Mr. Coutlee at some time.

Q. And did he show you where the location of the Ontario dam was to be? A. Approximately, yes. The stakes had not been put out.

Q. Did you learn it was to be where it has since been put? A. Approximately, yes.

Q. Was that before you signed the contract or after? A. It was before.

Q. Was it before you commenced work on the site or on the dam? A. Construction work, yes.

Q. Did you commence any work around the dam before learning the location? A. We had bought the plant and timber.

Q. But you had done no work about the site itself? A. No.

Q. No excavation, or any work of that kind? A. No.

Q. The location decided upon by Mr. Coutlee was different from that of the old wooden dam? A. Yes.

Q. And of that change you knew nothing when you received the notice in March that you were to build a concrete dam? A. No.

Q. When you found that there was to be a change in the location, did you make any protest against it? A. I do not know whether we did at the time or not.

Q. Did you make any protest against the changed location at any time? A. We did recall circumstances that had arisen through the result of the change.

Q. This letter of yours written on December 10, makes a claim upon the ground that the location had been changed. I am asking you whether you made any protest against the location before you signed your contract? A. I do not think so.

Q. You got some of your material on the site somewhere about May, 1909, did you not? A. Yes, or April, I do not just remember.

Q. And the contract itself was not signed until the latter part of June? A. July 22 I think.

Q. Had you commenced any work on the site before July? A. Yes.

Q. What class of work? A. Excavation work.

Q. And you had a staff of men there? A. Yes.

Q. And you thoroughly understood what the location was when you signed the contract? A. On the one side, yes.

Q. Did not you understand where the location was on the other side? A. I do not think it was definitely settled then.

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Q. Were not the plans and specifications fully prepared before you signed the contract? A. Yes, necessarily. For instance, I got a phone message in the morning to sign the contract that afternoon and that is all the information I had.

Q. Did you look at the plans? A. I assume I did before signing it.

Q. You saw from the plans what the location was? A. I must have.

Q. The point is this: you either did or did not understand where the Quebec location was, and I want to know which—when you signed the contract did you know where the dam on the Quebec side was to be located? A. I must have before I signed it.

Q. Now, in that connection, in your original tender you put in \$4,000 for unwatering at the wooden dam? A. Yes.

Q. What amount of unwatering did you understand was to be done? A. Simply around some of the pits. The original location of the dam was at the head of the island in still water. Of course when you are constructing a timber dam, why you can float your cribs out and sink them.

Q. What you proposed to do was to float them out and sink them? A. Yes.

Q. But that is not the universal way of doing it? A. In still water, yes.

Q. In such water as prevailed at the head of the island? A. Yes.

Q. Did you ask the Engineer for the Government if they would permit the dam to be built in that way? A. No, the plans show it was to be a continuous finger dam right across and showed rock within three feet of the surface.

Q. I know all that, but what I want to know is the question of fact now: did you raise the question at all whether you would be allowed to build the dam by floating out the piers and sinking them? A. I did not ask the question.

Q. It was never discussed between you and the engineers? A. No.

Q. Then, in the \$4,000 that you provided in that first tender you say that you were only dealing with the unwatering of the piers? A. For instance, there was one item in the specifications that said that so far as the concrete was concerned that it might be found necessary to put concrete in certain locations. That is my recollection of it. That would have to be unwatered before you could put concrete; you could not put concrete down at the bottom of the river.

Q. Let me tell you; there is absolutely nothing in the specifications about concrete at all; I am speaking of the original specifications of the old tender? A. Pardon me, sir, there must be.

Q. No?—A. If you look at the form of schedule in the tender you will find it is the same schedule we are working on.

Q. Oh, yes, item 22 for extra prices says: "Concrete 1 x 3 x 5 in foundation," and that is the only place where the word 'concrete' appears anywhere? A. Suppose we had to make up a bottom under the cribs they would want to make that up with something, you understand, that would not be washed away.

Q. I was going to call your attention to what you probably mean—in the plan, at what may be called the up stream toe of each pier there is shown a bolt running down into the rock if rock could be found and if there was no rock there one of the tenderers said that he was told that a concrete block would have to be put there to fasten that bolt to.

The witness was shown the plan.

Q. Is that what you meant there? A. That is not what I mean.

Q. What is it that you do mean? A. The original plan shows rock within three feet of the surface. These plans do not show the cross-section of the river.

Q. Where did it show concrete? A. These are not the plans, sir, there is another plan some place.

Q. Another plan of what? A. Showing the red line where the rock was.

Q. You say that according to your recollection there was a plan showing that some concrete would be needed? A. No, it was only anticipation in the specifica-

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tion in the event of any concrete being required for any purpose, that was there covering it. Now it is possible that no concrete would be required at all. That is possibly the reason that I do not recollect. You make the statement that there was no specification for it. That is quite possible, no concrete might have been anticipated, but the item was there in the event of it being needed.

Q. You say you only put \$4,000 for unwatering in case any concrete should be needed? A. Not concrete for any purpose. I thought that \$4,000—I did not think it was necessary to unwater all the way across. It might be necessary on the Ontario side to put in crib works above to hold it.

Q. On the Quebec side? A. For instance if you were in swifter water.

Q. Anyway when you put in \$4,000 for unwatering, you had no idea that either the Ontario side or the Quebec side would require to be coffer dammed, that wasn't your thought? A. No.

Q. Then you received your letter dated March 19, 1909, you were told this: "Of course it is understood that your price for a concrete pier was not stated in your tender, and the sum mentioned for unwatering is to cover all coffer damming which you may require to build the dam." A. What is the date of that?

Q. March 19, and these words apply to the building of a concrete dam?—A. Yes.

Q. What did you say upon that score at that time? A. We accepted it for two or three reasons. We had contracted for over \$20,000 worth of stuff at that time, some of which was paid for.

Q. To go into the wooden dam? A. Machinery, and on the Ontario side the plans show that in the summer it was perfectly dry, and the Quebec side had not been located.

Q. Yes, that was all shown in the margin, but no matter whether the Quebec side was shown, you know that that could not be perfectly dry? A. Yes.

Q. You knew that that was the hard side to deal with? A. Pretty well down the rapids.

Q. No matter whether it was below, it was the top side, the main channel of the river? A. If it went to the top of the island, it was not as deep there as down below, nor as swift water.

Q. If it remained where the old wooden dam was to be put, it was not in the rapids, and the water was not as deep as it would be lower down and so it was; but you knew at that time that this location might be changed? A. Yes.

Q. And you were being notified by the Department that you would be held to your \$4,000 tender for unwatering? A. Yes.

Q. Well, were you not putting yourself into a perfectly crazy position? A. You can consider it that way if you like. There is the fix we were in.

Q. No fix at all, because you had been notified by the Government that the contract had been awarded to you, and you had ordered your material on the strength of that notification, hadn't you? A. Yes.

Q. You had a perfectly good claim against the Government for compensation. All you had to do was to say: "If you have changed your mind and want concrete, take this stuff off our hands." Did you put that up to the Government at the time? A. I did not.

Q. When you got this notice, did you try to get out of taking the contract? A. I did not.

Q. You accepted the contract with full notice that this was all you would get, and later on, when in July, you signed the contract that notice still stood, didn't it? A. Yes.

Q. Did you at that time raise any objections about the matter? A. We did raise an objection, I cannot tell what date.

Q. Did you raise objection before you signed the contract? A. I do not know.

Q. Well, surely Mr. Kirby—A. I do not think so, there would be a letter there anyway.

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Q. I was not talking to you about letters, we can answer that question for ourselves; I am asking what position you put up to the Government verbally when you were called upon in July to sign the contract, and you had this notice before you that you would only get \$4,000 for the unwatering, and you perfectly well knew then that the dam on the Quebec side was to be built in the rapids where the water was both rapid and deep. Did you put up to them that your tender of \$4,000 was utterly beneath what it would cost? A. I do not think so.

Q. You knew then that you had to coffer dam right across that Quebec stream? A. Yes.

Q. You could not build a coffer dam in any other way? A. Than what.

Q. Well, by coffer damming across the Quebec side? A. Oh, yes, you could.

Q. How? A. By taking it in pieces.

Q. You would have to coffer dam if you did A. Yes.

Q. And \$4,000 was quite inadequate for that, wasn't it? A. As it turned out, yes.

Q. Leaving out the way it turned out, from the very beginning, after having got your Ontario side built, you realized that \$4,000 would not do the coffer damming and unwatering on the Quebec side? A. If the flow of the water was eased, it would make a material difference.

Q. On the Quebec side? A. Yes.

Q. Who was to ease it? A. We were to go up stream 250 feet. We went up stream 250 feet, and 150 feet wide, was the excavation with our steam shovel.

Q. Yes, on the Ontario side? A. Yes.

Q. But, as a matter of fact, in the spring of 1911, although the Ontario dam was completed, and the water was going off as rapidly as it could, your coffer dam went out on the Quebec side? A. I do not think that the excavation we made, our 250 feet channel, goes down as low as it ought to be.

Q. Probably not as complete as it ought to be? A. That would make a great difference.

Q. The point you put was, that the extent to which they would excavate on the Ontario side would be an important consideration to you. Now, when you signed your contract in July, 1909, did you get them to stipulate anything about what they would do on the Ontario side? A. They would see the plans where they had come down and made the 250 feet excavation.

Q. Did you provide when they were to do it? They might do it when they liked? A. I cannot answer that.

Q. Did you ask them when they would do it? A. It was understood to be done to meet ours. I must have asked the question and got an answer from the Engineer in charge, that was only by conversation.

Q. Do you remember having any conversation with Mr. Coutlee, the Engineer in charge, with reference to the time when they would do their excavating on that side? A. No, I was told one day, I cannot recollect the date, that the dredge *Queen* was on the road down to start the work.

Q. But was that before you signed your contract? A. I do not think so.

Q. Well, the point I am putting to you is this, that when on the 22nd July, 1909, you signed the contract to complete the concrete dam, you knew the location, and you must have known then that \$4,000 was inadequate to do the coffer damming and unwatering on the Quebec side? A. I don't admit that, it might have been.

Q. In that case, if you did not know, you accepted the position willingly? A. You see I had no alternative.

Q. I am not talking about whether you had an alternative, I am asking whether you accepted this without a protest at that time. A. Yes.

Q. Now in this letter of December 19, 1910, which you have examined and told us about, you set forth your side of the case and wound up by asking that the expense of unwatering and the cost of excavation still to be done should be assumed



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by the Department, and the Department agreed to do so? A. We give the reason there, don't we?

Q. I presume the whole 17 pages are reasons leading up to that. That is what you conclude with. I just wanted to remind you. The Government did agree to pay the whole cost of unwatering. Did you, before writing that letter, attend a meeting which was held in the Department of Public Works, when Mr. Chrysler, I think was present, and the minister was interviewed on the subject? A. I never went to the Department with Mr. Chrysler.

Q. Did you go there and meet the minister at any time, I mean Mr. Pugsley? A. I did, yes, once.

Q. Who else was there besides you? A. I do not know that it was Mr. Stewart.

Q. Did you have a lawyer with you? A. Yes.

Q. Mr. McGiverin, Mr. Hal. McGiverin, appears on one occasion to have attended on the minister for you. Was he there with you at any time? A. I believe I was with McGiverin once, yes.

Q. At the Department, seeing the minister? A. I know we went to Mr. St. Laurent's office.

Q. But did you see Mr. Pugsley? A. I do not recollect.

Q. You would recollect if you had an interview. Do you say you had an interview with Mr. Pugsley? A. I had an interview.

Q. Once or more? A. Once, I think.

Q. Who was present at the same time? A. I think I was alone, and it was in connection with this interview that Mr. St. Laurent said it was a matter for his engineers.

Q. You were not either with Mr. McGiverin or with Mr. Chrysler to see Mr. Pugsley? A. I do not recollect going to see the minister with Mr. Chrysler.

Q. Or with Mr. McGiverin? A. As I say, the day we went up Mr. McGiverin may have gone into the minister with me. Mr. St. Laurent said it was a matter for his engineers.

Q. Mr. McGiverin may have been with you on that occasion? A. Yes, it is possible.

Q. Before you wrote this letter of December 1910, did you have a discussion concerning the whole matter with Mr. St. Laurent or Mr. Coutlee, or with both of them? A. I think we had a discussion in Mr. St. Laurent's office, and I think Coutlee was there.

Q. That was before this letter was written? A. I cannot tell you the date, sir.

Q. You can remember whether it was before or after the letter was written? A. No.

Q. You cannot? Well later on in 1911 the whole contract was taken off your hands and an order was given to return your deposit and so on? A. We got our deposit.

Q. Later on you got it, but this was in August, 1911, when the arrangement was made. Did you ask the Department to take it off your hands? A. Yes, I think we wrote them a letter.

Q. Asking them to take it off your hands. I find it was on June 29, 1911 that Mr. Chrysler wrote to Mr. Pugsley asking for a private discussion. Was that on your behalf? A. I cannot say that, I did not see the letter.

Q. I did not ask you whether you saw the letter. Did you instruct Mr. Chrysler to see the minister for you? A. As far as Mr. Chrysler is concerned, yes, Mr. Stewart may have seen Mr. Chrysler. Sometimes I am a good deal from the city.

Q. I show you a letter dated June 29, 1911, addressed to the Minister of Public Works, signed by Kirby & Stewart. Whose writing is that? A. Mr. Stewart's.

Q. Well now, you notice that that is a letter which first refers to the letter of 29th December, 1910, and then goes on to deal with the further history of the matter,

and winds up by requesting the department to take over the whole work. Where were you when that letter was written? A. I would be in Ottawa.

Q. Well then, you were aware of its being written? A. Yes.

Q. Had there been any previous discussion between you and anybody acting for the Government about the desirability of taking over the work? A. No.

Q. None whatever, this was a voluntary thing on your own part? A. As far as I am concerned, yes.

Q. Do you remember whether that letter was carried to the minister by Mr. Chrysler? A. I do not know.

Q. Do you know who dictated or composed that letter? A. No.

Q. Is it probable that it was done in consultation with Mr. Chrysler? A. I couldn't tell you.

Q. On the previous December 29, 1910, you had consulted with him about that letter, and this is a continuation of the same subject. Cannot you recall from that whether Mr. Chrysler consulted with you about it? A. I cannot tell that from memory.

Q. Had you lost money in the contract up to that time? A. I cannot tell you that.

Q. You do not know that? A. No, there were things which would have to be adjusted.

Q. But you understood that you would lose money if you finished the contract? A. Possibly, some.

Q. I asked you whether you anticipated, do you mean to say you do not know? A. Well, the last balance sheet I saw did not show much of a deficit.

Q. When you asked the Government to withdraw, it was not because you contemplated a loss? A. No, it was the difficulties unforeseen there that might have been embarrassing.

Q. That might have caused a loss? A. Yes.

Q. You put it this way, it was not because you had lost up to that time, but because you might lose? A. Yes, there was this question of the unwatering, striking a bed of quicksand.

Q. You did not know how much it was going to cost? A. No.

Q. And if you built another coffer dam, and it went out, you would get no pay for it. Of course the coffer dam had been built by the Government. If another coffer dam had to be built, the Government would have to pay for it, wouldn't it? A. Yes.

Q. If the Government provided the coffer dam, where would your loss come in? A. It would require a lot of extra plant to go on with it.

Q. With the coffer damming? A. Yes.

Q. You would be paid for that? A. For the plant?

Q. Yes, anything, because you had to be paid the actual cost plus 15 per cent for all the coffer damming you did, were you not? A. Yes.

Q. Well, then, if you required extra machinery or anything else to go in, that would be wear or tear or depreciation, all that would go into the cost of coffer damming, wouldn't it? A. It should have.

Q. Would it not? A. That is an interpretation for your engineers.

Q. It is an interpretation for an engineer. If it is agreed with you that you are to do certain work at cost plus 15 per cent, the cost certainly must include everything you put into the doing of the work? A. It should.

Q. Had you any doubt on that point? A. I do not know whether I gave it consideration.

Q. You do not know whether you gave it consideration? A. No.

Q. What I want to get down to is this, if the Government were to bear all the cost of the coffer damming that might be necessary, why did you want to give up the work? A. It must have been—

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Q. I did not ask you what it must have been, I asked you what it was? A. How do you want me to answer?

Q. Answer exactly as to what did happen. Why did you want to give up that contract? A. Not to lose money.

Q. Exactly. Well, then, it has been represented to us here, and that is the reason I have given you a chance to give evidence—I may say that all the evidence will be reported and made public, and I do not wish that some of the evidence given here should go uncontradicted—it has been represented by one of the engineers who acted for the Government that he recommended that the work be taken off your hands and finished by the Government because your firm were financially unable to go on with the work. Now it occurred to me that that might injure your credit, and I wanted you to have a chance to say whether that was the reason, or whether you were losing money on the job. A. It would be the losing of the money.

Q. It is not correct that you were financially unable to go on with any work you had to do? A. We had paid all our expenses up to date.

Q. And for any work you did on coffer damming you would be paid by the Government, plus 15 per cent? A. Yes.

Q. And for the work you would have to do in concrete work afterwards, you would be paid at the price offered in the tender? A. Yes, when it was reached.

Q. As to which part of the work there was no indication of loss? A. What.

Q. There was no indication of any loss in the concrete work, the price was high enough for the concrete? A. I don't think it was.

Q. Don't you? A. No, the original specification for concrete did not consider any forms, putting it up in the air or anything else. It was simply putting it in a hole. We had to supply our own cement.

Q. You have been given the benefit of the lower price? A. No, as a rule, with contractors to the Government, cement is supplied to them, but in our case we had to supply it.

Q. Whether cement would be supplied or not, would depend on how much you were going to get per cubic yard? A. I have no doubt it would be considered but when you consider the price of forms, the price for the concrete was not what you would expect it to be in the original tender.

Q. That is what I have anticipated all along. The price which you had put in for concrete in the original tender was for a small amount of concrete, handled, I presume, in the usual way by just mixing it with a shovel when you needed it, requiring no machinery and little or no forms? A. Yes.

Q. And only a small quantity of work to be handled? A. Yes.

Q. After you were called upon to do a concrete job using forms and requiring mechanical mixers and all other paraphernalia your price was too low? A. You say it was a good price, it was not a good price.

Q. Was it too low for you to make money on it? A. It was not a good price.

Q. Was it a price which you would have offered to do a concrete dam for? A. I do not think so.

Q. Well in any case when you asked them in 1911 to take that job off your hands, it was because you feared that if you kept it longer you would lose money? A. We might have become embarrassed.

Q. But it was not because you were financially embarrassed at that time? A. No.

Q. You ordered some timber in the fall of 1908 for the wooden dam. Was that subsequently supplied? A. Yes.

Q. What was it used for? A. Stop logs.

Q. It was used for stop logs on the Ontario side? A. Yes.

Q. It was timber you ordered for completing the dam, I suppose, in the first place? A. Yes.

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Q. It was to go into the structure of the wooden dam. Was that a class of timber which could be got without being specially ordered? A. Well, it was British Columbia fir.

Q. Now, Mr. Kirby, is there anything you would like to add yourself? A. Will you allow me to see the date of that letter in which you say there was a notification of the concrete dam, March 19, (examines letter). I was just going to say, speaking of the materials in there, that after this notification came in on March 19, and before the 22nd of July, in order to take advantage of the spring prices we had bought 10,000 barrels of cement before the contract was presented.

Witness retired.

OTTAWA, WEDNESDAY, February 28, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

ARTHUR ST. LAURENT, re-examined:—

*By the Chairman:*

Q. Do you know whether Mr. Lafleur, the Chief Engineer, had personally anything to do with the plans for the dam, the wooden or the concrete dam? A. I think that the personal instructions were given by the Chief Engineer to Mr. Brophy.

Q. Given by him to Mr. Brophy? A. Yes, and for the change too I think it was given personally to the Chief Engineer, but whether he was there in his office I couldn't say.

Q. Now, with reference to the unwatering, was any plan or scheme of unwatering devised at any time by the Engineer of the Department? A. Not to my knowledge, I mean until the Department took the work out of the contractors' hands.

Q. In the last year? A. Yes.

Q. But I am dealing now with the wooden dam. Item 23 in the schedule on prices at the back of the tender form, simply contains the words "unwatering"? A. Yes.

Q. The plans for the dam would not show anything about unwatering? A. Not my scheme for unwatering.

Q. And the specifications which formed part of the contract would not lay out any scheme for unwatering? A. No, sir; not that I remember of. I do not remember any specification mentioning any methods of unwatering. That was left to the contractor, I think.

Q. In the amended specification provided by Mr. Coutlee and made a part of the contract with Kirby & Stewart, there is a provision of a general nature concerning coffer dams, that is to say it says in so many words, the contractor may adopt any coffer dam, he being wholly responsible for all damage from freshets or from any other cause shall be at his cost and expense. Now, manifestly, both with regard to the wooden dam and later on with regard to the concrete dam, no plan or scheme was devised by the engineers of the department for the coffer dam or the unwatering?

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A. Not to my knowledge, unless they devised a scheme between themselves, but I don't know.

Q. You don't know of any scheme they devised? A. No, sir.

Q. In any case it was not made a part of the tender? A. No, sir.

Q. No information was afforded by the plans or specifications from which the contractor could gather what he would have to do in the way of unwatering? A. No, the contractor was asked I think, and as a matter of fact it is part of the tender, the contractor is asked to go on the site and examine the site, and draw his own conclusion.

Q. That is to say that in this as in other tenders he is obliged to say, "I have examined the site"? A. Yes.

Q. Now, you observe that when the tenders came in for the wooden dam the tenderers varied in price for unwatering from \$4,000, \$18,000, \$20,000 and \$54,924? A. Yes.

Q. Well, then, that would indicate that the various contractors took a different view of what would be necessary in the way of unwatering, would it not? A. There is no doubt about that. They viewed it differently.

Q. Later on when figures were made up and included in reports by you showing what would be the cost of a concrete structure, when you came to include something for unwatering, you put in in respect of each of the original tenderers the same sum for unwatering, the same sum that the tenderer had put in in the case of the wooden dam? A. Yes, just the same sum.

Q. Well, now, in any case, would unwatering be the same for the concrete as for the wooden dam? A. Well, I have already said that that depended on the conditions. As far as this is concerned I cannot answer you very directly, because I did not study the conditions on the ground myself. It required a good deal of study to see whether the same amount of unwatering would be required.

Q. Take the Quebec side for instance, a wooden dam might have been put there without any unwatering, might it not? A. On the Quebec side?

Q. Yes, a wooden dam might have been put on the Quebec side without unwatering? A. If you mean that the wooden dam, the same as it was designed, without any cut-offs, well it could have been put there without any unwatering.

Q. I am talking about the original plan? A. I think so, but I cannot answer you positively.

Q. That is what I want to get down to: if the wooden dam on the Quebec side as originally designed could have been put there without coffer damming, then the \$4,000 which Kirby & Stewart asked for unwatering would have been reasonable? A. He might have thought that this was reasonable, because I don't know the conditions.

Q. You don't know the conditions? A. No.

Q. But I am putting it this way, if there were no coffer damming to be done at all, possibly \$4,000 would cover the unwatering? A. For the Quebec side?

Q. For the whole thing? A. Well, experience has proved—

Q. I am not asking about what experience has proven, but I am putting myself back where you were when that came in. You had advertised for tenders, and an offer was made to do the unwatering for \$4,000. I am simply asking whether it was possible that the wooden dam could have been put there and the unwatering not have cost more than \$4,000? A. It is useless for me to try and answer you, Mr. Commissioner, because I do not know the conditions.

Q. What I want to get at is this: the unwatering for a concrete structure would be a very different thing from the unwatering for a concrete dam? A. Oh, it would, because the plans were changed entirely.

Q. On the Quebec side, for instance, that is the worst side, the hardest side, you could not commence to put a concrete dam without unwatering? A. Oh, no, you must have a coffer dam.

Q. You must have a coffer dam for a concrete dam? A. Yes.

Q. So while a wooden dam might have been put on the Quebec side without coffer damming, a concrete dam on the Quebec side without coffer damming was impossible? A. Yes, it was impossible, there is no doubt about that.

Q. Well, now, two questions occur; you remember that the Chief Engineer who is responsible for an estimate made for your Department at the end of 1908, estimated that \$80,000 would be the cost of the wooden dam? A. Yes, that was the estimate made.

Q. Now, do you remember what was allowed in that estimate for unwatering? A. No, I could not say what the Engineer allowed for that.

Q. You are an engineer yourself, are you not? A. Yes.

Q. I want to put you this question: Could an estimate be properly made with such certainty as an estimate ought to contain without having a clear comprehension of how unwatering was to be done, and to what extent coffer damming would be necessary? A. Oh, no, an engineer making an estimate would have to have a clear comprehension of that.

Q. Do you know as a matter of fact—do you know who made up the figures of that \$80,000 estimate? A. That was sent from the Chief Engineer's office. I think it was Mr. Perrault who made it up at the time. I could not be positive however.

Q. Here are the figures put in by Mr. Perrault—you say the estimate was made by Mr. E. E. Perrault, Mr. Lafleur? A. Yes, I believe it was Mr. Perrault, but I would not be positive.

Q. And as made up there were \$79,354.85? A. Yes.

Q. Which included the sum of \$4,000 for unwatering? A. Yes, I see it there now, that is right.

Q. Now that estimate was made up by him on the 20th of November, 1908? A. Yes, that is right.

Q. Now, at that time the tenders had been received? A. I do not remember that.

Q. Yes, tenders were received November 16, 1908? A. Well, I don't know when they were opened.

Q. The envelopes will show when they were opened, will they not? A. There is always a sheet initialled by the Deputy Minister stating when they were opened. It is a note by the Deputy Minister stating in whose presence they have been opened.

Q. Here is one—"Four tenders received herewith, Chief Engineer's estimate attached hereto; Appropriation, \$75,000. Tessier, secretary. Dated November 20," and on the bottom of it is written on the same date, November 20, J. D. M., that is the Deputy Minister—return of cheques, retaining the lowest, and prepared report in council—that is November 20. A. Yes.

Q. Then the records show that these tenders were opened on the 20th November? A. Yes.

Q. And on the same day the Chief Engineer's estimate attached hereto was given to the Deputy Minister? A. I cannot explain, sir, how this was made. I see the memo. is written here on the 4th of November asking that the estimates be sent. That is a memorandum for the Chief Engineer: "Tenders for the head of Long Sault dam on the Ottawa River will be in on the 19th, will you have estimates prepared for that date." I cannot explain why it came is so late.

Q. Is it not quite evident that the estimate made by Mr. Perrault was not closed up until he got the figure of \$4,000 as the price of the unwatering from Kirby & Stewart's estimate? A. I could not say, it is evident to me, I don't know.

Q. We will take these two or three things: Mr. Perrault on November 20 supplies an estimate—you have that before you? A. Yes.

Q. In which he fixes the sum of \$4,000 as the price for unwatering? A. Yes.

Q. On that very same date the tenders are opened and Kirby & Stewart's tender gives \$4,000 as the price for unwatering, that is a fact? A. Yes.

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Q. And the tenders and Mr. Perrault's estimate are both placed before the Deputy Minister on the 20th of November together? A. Yes, just the bulk sum. The estimate is placed before the Deputy. The Chief Engineer never signs the detailed estimate.

Q. But I have just read about that, I have read to you that the estimate is placed there too? A. Yes, just the round number.

Q. Then we can make our own deduction as to that point. What I want to get at is this: You have already said that so far as you know Mr. Perrault had not made up any scheme or plan for the unwatering of that structure? A. So far as I know, no, sir. He never told me, or the engineers never advised me as to that.

Q. Then I want to come to this point; when your Department is considering the acceptance of tenders or the rejection, does it never have regard to the question whether these tenderers are asking a sum large enough to cover the execution of the work in the opinion of the Engineer? A. No, the estimate of the Chief Engineer is set as a basis for comparison, that is within a reasonable percentage of his estimate. The tender is always given to the lowest tenderer.

Q. But in such a case as the Chief Engineer has made an estimate of a certain figure in your experience has a tender ever been received very much lower than the estimate made by the Chief Engineer. A. Yes, in some cases.

Q. Have you known tenders to be rejected because they were so low it seemed apparent a mistake had been made? A. No, sir, I do not remember of a special case.

Q. Have you ever known a low tender to be rejected and a higher one accepted? A. No, not to my knowledge, I do not know of a case like that.

Q. Then we shall put it this way—A. Oh, excuse me—your last question was what?

Q. Have you ever known a low tender to be rejected and a higher one accepted? A. No, I have not.

Q. Then we will put it this way: if a tender is very much lower—have you ever seen tenders come in that were considerably lower than the estimate of the engineer? A. Yes, I think so.

Q. Then you ask the question, now is the engineer's estimate right or nearly right, and can these people possibly carry out the work for the sum for which they have tendered? A. Well, in answering that I will be obliged to speak for others, because I do not deal with the opening of the tenders at all. It is very seldom you see that I deal with the opening of the tenders.

Q. But Mr. St. Laurent, you have had in your position a great deal of experience with public works and tenders for public works? A. Yes.

Q. Now, we will leave outside what the practice has been, but as a principle don't you think that in the consideration of tenders whether they should be accepted or not, it is highly important to have before you a very accurate estimate from the engineer, as to what the work will probably cost? A. Yes.

Q. Because you might fall into this error of getting a contractor started on the work at a sum which is inadequate and consequently he would fail to carry it out? A. If you take my own opinion as to that I say that when a tender is called for and one is extraordinarily low in comparison with the estimate of the Chief Engineer there should be another estimate. The Chief Engineer should be asked to revise his estimate or to try and see if his estimate is very accurate.

Q. And then you will go further and say if this tenderer was still below what the engineer thought a proper sum, a close examination ought to be made into the financial ability of the tenderer to carry out his contract? A. Yes, this has been done by the Deputy Minister actually during the last few years. On the other hand, supposing a very high tender is received as compared with the estimate of the Chief Engineer, it is the practice now to refer the matter to the Chief Engineer. That is the practice of the Deputy, but of course I could not tell myself.

Q. Then all that leads to this, that in giving out tenders for work it is most important that you should have a careful estimate from your Chief Engineer?  
A. Certainly, very careful.

Q. Then he cannot make a careful estimate—I will put it this way, how in this particular case, could a careful and trustworthy estimate be made of this work without a scheme for unwatering having been decided upon? A. No, the Chief Engineer would have a very clear idea of the conditions.

Q. He ought to have? A. Yes, he ought to have. I do not know of course, he may have had.

Q. He may have had a scheme or clear idea of the conditions and not have told you? A. Yes.

Q. But in this case we know that the Chief Engineer did not make an estimate in reality at all, but it was made by Mr. Perrault? A. Yes, but that is always the case, the engineers in charge always send their estimate to the Chief Engineer.

Q. Mr. Perrault was not the district engineer? A. He was in charge of that design at the time.

Q. Of the dam? A. Yes.

Q. But he was a subordinate to Mr. Brophy? A. Yes.

Q. And he was not one of your superior or senior engineers? A. No, not in the same class as the district engineers.

Q. And certainly not in the same class as the Chief Engineer? A. No.

Q. Then the point is this: Of course the Chief Engineer can adopt Mr. Perrault's calculation and forward it to the Deputy Minister, who is nominally responsible for it, and who should check the figures? A. They should be checked, yes.

Q. So the liability for it is divided between Mr. Perrault and Mr. Lafleur? A. Certainly, the liability rests with the engineers as to the carefulness with which they prepared their estimates.

Q. When this work came into your hands at a certain stage did it not occur to you when you examined these tenders there was a most remarkable discrepancy in the scheme of unwatering in the minds of the tenderers? A. Yes, it struck me at the time, but I might explain that in receiving tenders especially when they are tenders for hydraulic work, some times the engineers make their estimates with unit prices, and make them higher than prices for ordinary work in order to cover the unwatering, leaving the unwatering aside as a particular item; in other cases they make their unit prices and supply one for unwatering, and in some other cases bids are what are called unbalanced. The tenderers put in low prices for some of the items and high prices on some others. They have, I presume, special reasons for that, for instance if they want to proceed with their work and have a little more money at the beginning, they would put high prices on some of the items which they are going to do at first and low prices on others.

Q. We will deal now with this particular case, comparing the four tenders that were put in for this wooden dam, Kirby & Stewart were the lowest in bulk sum and upon the whole what you call the lowest in unit prices? A. Yes, upon the whole.

Q. And consequently Kirby & Stewart were not having nearly such a margin to make up any shortage for unwatering as the other men were? A. No, they were the lowest tenderers on excavation.

Q. And they were the lowest tenderers on everything except the cement where they happened to be 50 cents higher than the lowest one? A. Yes.

Q. So with regard to them there is no reason to say they included anything in their unit prices to cover the unwatering, that is comparing their prices with the prices of the other men? A. I could not say as to that.

Q. Let me put it this way, then the other men were not only asking more for unwatering but more for unit prices? A. Yes.



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Q. Precisely? A. Yes.

Q. So that when you saw that great variety of prices for unwatering, didn't you ask the Chief Engineer or any one else, what kind of unwatering or what form of unwatering are you preparing for? A. No.

Q. Well then, when you changed from the wooden dam to the concrete dam and the estimates were before the Deputy Minister and later on before Council—I mean the calculation as to what the concrete dam would cost, still the same price for unwatering as in the original tenders were continued? A. Yes.

Q. Well it is apparent now that the scheme for unwatering, a plant for unwatering ought to have been decided upon in order to estimate what it was going to amount to? A. I know that those details as far as I am concerned did not occur to me at the time.

Q. They did not occur to you at the time? A. No.

Q. Do you know whether at that stage anybody was asked to consider what cost should be allowed for unwatering? A. No, sir, I don't know. I don't think so.

Q. Won't you be frank enough to admit this? A. Well, I am frank.

Q. I know, you are very frank. I want to say also that we are not trying to implicate you—the responsibility may be some one else's, but I want to find the reason for this practise, which was, I do not hesitate to say, absolutely loose. I put this question to you: When the cost of a concrete structure was being considered do you know if anybody sat down to consider a report upon what would be the approximate cost of unwatering? A. I do not know it as a fact, the only thing I know is that Mr. Perrault was asked to give what would be the quantities in connection with the concrete dam, if I do remember right.

Q. The quantities? A. Yes.

Q. And figure up what it would cost on the figure prices given in the unit tender? A. Yes.

Q. I want to draw your attention now to your own letter dated February 3, 1909, and addressed to the Deputy Minister? A. Yes.

Q. Now in that you say on page 4: "As the dam will require about 10,000 cubic yards of concrete and unwatering, which are closely related, the different tenderers will be as follows:" and you give Kirby & Stewart's \$89,000? A. Yes.

Q. And in that you allow only \$4,000 for unwatering? A. Yes.

Q. And in the next you allow \$20,000 for unwatering? A. Yes.

Q. Giving for unwatering exactly the same prices as before? A. Yes.

Q. They are quoting as the cost of concrete a price which included the unwatering the same prices as before? A. Yes.

Q. You were there quoting as the cost of concrete a price which included the unwatering price that had been quoted by the tenderers for a wooden dam? A. Yes.

Q. Didn't that raise to your mind at once this question: Now here are the figures for unwatering for a wooden dam, but can we unwater for a concrete dam at the same prices, or what can we unwater for? Wasn't that question raised in your mind once? A. I don't remember, sir. I remember that I thought the \$4,000 was very low, but I don't remember whether it occurred to me, in fact I don't think it did occur to me that the cost for unwatering might be different.

Q. Well, I am giving you an opportunity to put yourself right, as I think you need to do on this matter. Here you are an engineer, advising the Deputy Minister of Public Works, and pointing out to him what a change from wood to concrete would probably involve, and you are putting in as your calculation for the cost of unwatering the figures given in a tender for a wooden dam? A. Not my calculations.

Q. Well, the figures given in a tender for a wooden dam? A. At the time it did not occur to me that the unwatering might be different at the time, because I would not have put that in my memorandum if it had occurred to me.

Q. That is the answer, of course, that it did not occur to you. Then I take it for granted from that, that no one, neither the Chief Engineer nor any one else was asked to consider what the unwatering would cost for the concrete dam? A. I do not think so.

Q. Now, later on, away down in July, 1909, there was signed on the 22nd July, 1909? A. Yes.

Q. Specifications had just been completed in June? A. Yes.

Q. And did the plans and specifications completed in June set forth what would be necessary for unwatering? A. At the time these details did not come before me, but I do not think there is anything in the specifications.

Q. Do you remember that Kirby & Stewart were notified that they would have to do the unwatering? A. Yes, but I must explain myself. At that time I had not studied the thing myself. I had not been on the ground as engineer, I had no information to study and I had to take the figures as they came, and I never thought there would be such unforeseen difficulties as they have met.

Q. The engineer responsible for the plans and specifications would be Mr. Coutlee, who was in charge? A. Yes, he was in charge.

Q. In the regular course of your business in that department his report would come to the Chief Engineer, I presume? A. Naturally, the Chief Engineer.

Q. It would come to the Chief Engineer? A. Yes, sir.

Q. The Chief Engineer would be responsible for considering and accepting or rejecting these plans? A. Yes, sir, that is part of his duties.

Q. As Assistant Deputy Minister you have really nothing to do with that part of it at all? A. No, not with those details, sir.

Q. Your duties simply require that you shall be the next stage above him—the Chief Engineer would report to whom? A. He reports direct to the Deputy Minister.

Q. And your duty is simply to assist the Deputy Minister with regard to engineering work of one kind and another? A. Yes, I don't know exactly how I could state what my duties are, but if I may say it in common terms, a Deputy Minister unloads on my office lots of work.

Q. I want, in fairness to all, to find out where we can properly place the responsibility in this particular case. We know Mr. Coutlee did make plans and specifications, and we assume that they did go before the Chief Engineer, is that the case? A. Yes.

Q. Now when the consideration came, whether the contract should be given to Kirby & Stewart for a concrete dam, was the Chief Engineer asked to report in any way upon the adequacy of the price which it was proposed to give Kirby & Stewart for building that dam? A. Well, I do not know that Chief Engineer was asked particularly, because this was to be a unit price contract. It might cost less or more than the bulk sum mentioned.

Q. But it would be a unit price contract with regard to unwatering? A. No, the unwatering would be for a bulk sum only.

Q. And if the unit prices for the work were fair and reasonable and if they were entirely too low for the unwatering, they were bound to meet a heavy loss? A. Yes.

Q. As a matter of fact isn't that just what occurred in this instance, that they fell down in their contract in practice because the unwatering was costing so much more than was estimated? A. Yes, that is what took place, on account of the unforeseen difficulties. The engineer might be very far from the correct estimate in this particular case, because there were so many unforeseen things that might happen.

Q. But I am pointing out to you that from the beginning to the end the engineer never made an estimate for the unwatering, that \$4,000 which Mr. Perrault puts into his calculation as the estimate for the unwatering for a wooden dam was certainly not an estimate, but a mere borrowing of figures from Kirby & Stewart? A. I cannot tell as to that.

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Q. We will call Mr. Perrault to prove that himself. Do you know whether the Chief Engineer was ever asked to give an estimate to the Department of what the concrete dam would cost in the location in which it was ultimately decided to put it? A. That was asked—that estimate came through the Chief Engineer from Mr. Coutlee. You don't mean the unwatering alone?

Q. No, the whole estimate—now we will get down to it? A. I produced a pencil copy of the estimate which was made showing what a concrete dam would cost at the prices quoted in the original tenders and on the quantities which were supplied after the specifications for the concrete dam were completed.

Q. Who supplied you with the quantities for that circulation? A. Mr. Coutlee.

Q. You got those quantities from Mr. Coutlee? A. Yes.

Q. And in that calculation you still continue the unwatering at the prices which were in the original tender? A. Yes, sir, as part of the contract.

Q. As part of the original tenders? A. Yes.

Q. I am speaking of all the others as well as of the one? A. Yes.

Q. In Kirby & Stewart's, whose contract at the time this memorandum was made up, the unwatering is placed at \$4,000? A. Yes.

Q. And for the purpose of comparison with the other tenderers you still continued to put in the higher sums which they had quoted for unwatering? A. Yes, just as they were in the tenders.

Q. And in making up that estimate you still did not take into consideration the question of what amount of unwatering would now be necessary? A. No, I always had in view to quote their prices.

Q. But the adequacy or otherwise of the prices quoted for the unwatering from first to last was never considered so far as you know? A. From first to last.

Q. The adequacy or otherwise of the prices quoted by the different tenderers for the unwatering was never considered so far as you know from first to last? A. It was not, no, especially at the beginning.

Q. In July 1911, there was a report signed by you and Mr. Coutlee. Why was Mr. Coutlee asked to sign the same report as you? A. Because we had discussed the matter together on the instructions of the Minister. I think that was after the contractor came to see the Minister, and the Minister asked us to discuss the matter and see what could be done, so the matter was discussed thoroughly with Mr. Coutlee.

Q. That is between Mr. Coutlee and yourself? A. Yes.

Q. And who else? A. I guess there was an interview with the contractors in my room, and previously there had been an interview between the contractors and the Minister into which the Minister called me.

Q. Was Mr. Coutlee present at that interview? A. No, the Minister called me in and referred the matter to me.

Q. Did you and Mr. Coutlee discuss the matter with the Deputy Minister? A. With the Deputy, oh yes, sir. I could not speak positively about that, but I think it was discussed with the Deputy Minister, but all the details were discussed between Mr. Coutlee and myself, and we came to certain conclusions, and those conclusions were written up.

Q. We have had considerable evidence offered here that the change of site, particularly on the Quebec side where the dam has been placed or started down on the rapids, instead of at the head of the rapids where the wooden dam was to be placed, was an unwise one. Now who was responsible for the decision as to the location—who made that decision? A. The Engineers investigating, Mr. Coutlee and Mr. Matheson were working there.

Q. Mr. Coutlee was the Engineer in charge? A. Yes, when the investigation started.

Q. Now, as a matter of fact was his decision on that subject considered and reported so far as you know by the Chief Engineer? A. No, sir.

Q. It may be said to have been accepted because Mr. Coutlee reported it? A. Yes, that is generally the case.

Q. You did not consider it yourself? A. No, I did not consider it myself.

Q. Mr. Lumsden, a practical lumberman and one of the tenderers there says that placing the dam down the rapids has not only increased the difficulty considerably, but, having regard to the drives of logs which must take place through there, it has greatly increased the difficulty of handling the logs? A. It has, because the provisions for the handling of logs are not complete yet. I understand that Mr. Coutlee has had in mind a provision for logs.

Q. He goes so far as to say that any provision that is made for the logs must necessarily be expensive and involve a continuous watch. In any case that feature of it was not considered by you? A. No, I could not go into those details.

Q. You would not be responsible for that decision? A. No.

Q. It was made in the way you have described? A. Yes.

Q. As a matter of practice, where an Engineer in charge of a work reports as Mr. Coutlee did a change of site and location the Chief Engineer receives that and passes it, is there no inspection from the top in case of the revision of a plan, or is the decision of the Resident Engineer final? A. Generally the Resident Engineer's plans are accepted, but sometimes there has been a revision, that is why I have told you already I was in favour of an Engineering Board, to control all contracts and plans and specifications when they are received in the Chief Engineer's office. He has no time to look into the details of the specifications, or details of plans, whether they apply correctly to the decisions or not, and there should be an Engineering Board to look into all those details.

Q. I am glad you mentioned that. We are very much impressed here with the need of some board of control, we will call it, or supervision, or criticism, upon all kinds of public works that are proposed, because we find that the District or Resident Engineers or the Engineers in charge, report certain things to the Department, and nominally the Chief Engineer is responsible for that. He can of course look at plans which came before him very well, but he does not know the locality and the surroundings. Now, is not the practice a terrible loose and weak one as at present obtains? A. Yes, with the increase of works during the last few years it has become utterly impossible for the Chief Engineer's office to control all details of the public works.

Q. And that is an increasing difficulty? A. Yes, every year the rush of work we have—well, no one has any idea how we are rushed.

Q. Your office staff, above the Chief Engineer, ought not to have any responsibility for designs or anything like that? A. No, I cannot say.

Q. And you say the Chief Engineer's Office, as at present constituted, is not able to grapple with it? A. That is my opinion.

Q. And your opinion ought to be very valuable. And all scattered over the Dominion everywhere, the public works are being initiated and the Resident or District Engineers are reporting and the Engineer's Office practically has to take those reports and act upon them without supervision? A. Absolutely. The Chief Engineer nor his Assistant have time to go and see these works. There should be some one from headquarters to visit the works from time to time.

Q. And should have a supervising or classifying staff of very able men? A. Yes,

Q. Who would have nothing to do but go out and examine these works before they are commenced and after they are commenced and when they are completed? A. Yes, the contract plans should be referred to them. Then they should be empowered to go on the ground themselves with the District Engineer, and after the District Engineer has been there and say if his deductions are right.

Q. Mr. Lafleur, the Chief Engineer, is now ill? A. Yes.

Q. And has been at home for some time? A. Yes, for quite a few weeks.

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Q. Has his health been more or less bad for a good while? A. Oh yes, for the last three or four years.

Q. Has it kept him away from the office a great deal during that time? A. Yes, it has.

Q. Well, that must interfere very much with the continuity of his work while he is there? A. Well, it does a great deal, but there is a very good secretary there and sometimes he takes the papers and goes to Mr. Lafleur's home to explain matters to him and have his opinion and have papers signed, and that remedies the difficulty to some extent, but it is really undesirable.

Q. Who is the man next to Mr. Lafleur in his office? A. The next man is supposed to be Mr. Dufresne, the Assistant Chief Engineer, but he is placed in charge of all dredging, and we find that the dredging has enlarged so much that he has all he can do to handle the dredging.

Q. So that as Mr. Dufresne is entirely taken up with the dredging, Mr. Lafleur has not got an Assistant Engineer as a matter of practice in dealing with a matter except the dredging? A. That is so.

Q. Mr. Dufresne was before us yesterday in connection with dredging, and he told us the same thing? A. Yes.

Q. Now besides Mr. Dufresne, who would look out for the work of the Chief Engineer when he is not there? A. Principally the Secretary.

Q. The Secretary to the Chief Engineer? A. Yes, the Secretary of the Chief Engineer.

Q. What is his name? A. Mr. Sommerville.

Q. Is he an engineer? A. No.

Q. Then practically when the Chief Engineer is absent from his office, leaving out the dredging, there is no one in the office who is an engineer to deal with such things? A. No one all the time. Mr. Valiquette, one of the engineers at headquarters, signs documents for him but he has outside work to attend to and he may be away a week or so.

Q. That must be a serious state of affairs? A. It is a handicap no doubt.

Q. Not only is Mr. Lafleur, when he is ill, not able to deal with matters, but a man who is absent must spend a good deal of his time, when he is there, catching up with matters which he has forgotten? A. Yes, it is a handicap. It is unfortunate for him, of course. You know, I tell you things exactly as they are; I do not want to reflect on Mr. Lafleur.

Q. No, but unfortunately, we have to ask questions and you have to answer them. You are on oath and you cannot do anything else but answer the questions. He is not to blame for his health.

*Examined by Mr. Ducharme:*

Q. You were asking for tenders for this wooden dam, Mr. St. Laurent? A. Yes.

Q. Was there any estimate prepared before the tenders were asked for? A. Well, it has been shown here that the estimate came in to the Deputy on the 20th of November, 1908.

Q. Were they made in October? A. Well, I cannot say exactly when they were made. I know the estimate was asked from the Chief Engineer on the 4th of November.

Q. Well then, that was after the advertisements were put in the paper? A. Yes, it was advertised at that time I suppose. I could not say if the Chief prepared his estimates in October or November.

Q. At all events, they were prepared after the tenders were advertised for in the newspapers? A. I could not say.

Q. Who put in the advertisement for tenders? A. Well that is the Secretary.

Q. Which Secretary? A. Mr. Desrocher.

Q. Of your Department? A. Yes, he attends to the advertisements. But the estimate that is to be sent to the Deputy, is asked only when the tenders are opened.

Q. How is it about the deposit? You ask for a deposit, do you not? A. Yes.

Q. Ten per cent or something like that? A. Yes, the cheque must accompany the tender.

Q. When you ask the cheque how do you get at the amount of the cheque? Do you base it on the tender, if he must pay so much per cent of the tender? A. Sometimes it is a bulk sum and sometimes it is a percentage.

When it is a bulk sum on what is it based? A. It is based on the fancy of the District Engineer or the Chief Engineer. He might base it on what he thinks pretty near ten per cent, or if it is a very large work he may make it only five per cent.

Q. But when he makes it a bulk sum like that, when you ask for tenders in your advertisement you put in bulk sum. That bulk sum should mention it or fix the amount in some way? A. If we ask for a bulk sum tender, and if a deposit is asked equal to ten per cent of the bulk sum, the contractor himself decides as to his figures.

Q. That is not what I am asking you. I am asking you when you are calling for tenders and specifying in the tenders that such an amount, an accepted cheque for such an amount must accompany the tender, who fixes the amount? A. The Chief Engineer's Office.

Q. The amount is fixed by the Chief Engineer's Office? A. Yes, fixed by the Chief Engineer's Office.

Q. So that in this case you were asking for eight thousand dollars as the deposit, and that amount was fixed by the Chief Engineer? A. Yes, by the Chief Engineers' Office.

Q. Now you were calling for tenders and I see in your testimony that the clerk who usually prepares that left that clause about the bulk sum in; there was a special clause about quantities and prices and he left in the advertisement the clause for the bulk sum? A. Well that was explained to Mr. Lake about the bulk sum. That appears on the blank form.

Q. Yes, and you say that by error it went to the Printing Bureau like that and that those things never come back to you until they are advertised. It was only then it was noticed that the clause with their bulk sum was left there? What do you mean by that? Do you mean that you only noticed that they were asking for a bulk sum when you saw the advertisement? A. After the tenders had been received, that is what I meant, after the tenders had been received.

Q. They were received on the 18th of November, 1908? A. Well, I mean when they were referred to me. I do not open the tenders myself.

Q. When would they be referred to you? A. I could not state the date.

Q. Well just about, about the time they would come in would it be? A. Yes, about that time or a little after.

Q. Now, you said in your testimony that if the dam had been made where it was first intended to be, the unwatering could have been done at a relatively low cost by making cribs for the coffer dam and that a part of it would have been done without a coffer dam? A. I mentioned a possible way of constructing the wooden dam, if I remember well, by making cribs, and whether I added that then they should be made water-tight and the material taken out and then filled in with concrete, I mentioned this as a possible method.

Q. I thought you meant for the wooden dam? A. Yes, for the wooden dam.

Q. But would the same explanation apply to the concrete dam? A. Yes, it is a possible way of sinking cribs. It is a possible way of building a concrete dam by cribs, making them water-tight, sinking them to the bottom, and then starting to excavate, and the cribs are loaded and they go down and down.

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*By the Chairman:*

Q. That is for wooden dams? A. Yes, for crib sinking you see. I don't think I said it would be cheaper because I couldn't know, they would have to be made water-tight.

*By Mr. Ducharme:*

Q. We were asking you if four thousand dollars for the coffer damming of that first wooden dam would be sufficient and you explained that it might have been sufficient if they had proceeded in such a way? A. Yes, in such a way as sinking their cribs like that.

Q. What I want to know from you is this: that method you were speaking of, would it be applicable to the concrete dam as well.

*By the Chairman:*

Q. You couldn't sink a concrete dam in that way. Could you build a concrete dam by sinking your cribs? Of course you couldn't, you would have to unwater and put your concrete down to the bottom? A. Yes.

Q. You couldn't do it the same way as you could a wooden dam? A. Not exactly, no, but I must qualify that. I did not study the conditions, and whatever I may have said was only on the spur of the moment. There is a way of building concrete by sinking cribs, caissons, making them water-tight, excavate the material, and the caissons are loaded down and they go down and you fill the caisson with concrete and it forms the concrete. In that case it must be very strong.

*By Mr. Ducharme:*

Q. You have to unwater? A. Yes.

*By the Chairman:*

Q. After the coffer dam is down? A. There is no separate coffer dam. The caisson itself is the coffer dam. It is made water-tight and sunk and you excavate the material, and then you unwater the caisson and fill it in and that takes the place of the coffer dam.

Q. That would be more expensive? A. Yes, it is a very expensive method.

*By Mr. Ducharme:*

Q. Now, Mr. St. Laurent, do you know when the Engineer in Chief makes the approximate cost of the whole works, that he takes into account these accessories such, as in this case the unwatering? A. He does not make a detailed estimate of cost himself. He leaves that to the District Engineer.

Q. Does he take that into consideration? A. Well, I would rather he would answer that himself.

Q. If I go to your Department and ask you how much a dam is going to cost, he takes the plans and makes a calculation and tells me the cost, and in doing so will he put into that cost anything else than the exact dam, in his estimates? A. If you ask an estimate, I will give an estimate of what I think it will cost, taking every consideration, that is, taking into consideration everything of which I have knowledge.

Q. But in this case what the engineer had before him was the plans? A. Yes, all he had was the plans and the estimate sent by the engineer and the specification.

Q. How could he prepare an estimate for the unwatering, when he doesn't know it? A. Well, that came from the District Engineer, that estimate, and he took it from the District Engineer. He is the engineer who has studied the question.

Q. Supposing the Minister—A. Well, I cannot answer it perhaps what you like, because I cannot say what the Chief Engineer does every time he receives an estimate.

Q. Well, if you don't know, say you don't know. I want to find out whether, when an estimate is asked from an engineer, if he bases his estimate on anything else than the plans that are shown to him or that he has prepared himself. Do you know, yes or no? A. I don't know how he makes it.

Q. But you have seen estimates done before; you have been an engineer for twenty years? A. Yes, I have made estimates myself.

Q. How do you make them? A. I make plans and specifications and take the quantities and try to foresee as much as possible the difficulties that will be met with and make my prices accordingly and arrive at a certain sum which I give as the approximate cost of the work. It is always only approximate when we make an estimate.

Q. But I mean to say, do you take into consideration anything else but what you see before your eyes on these plans? A. If I make estimates based on plans I must have made the plans myself and studied that ground myself. If I make a detailed estimate—

Q. But if you have not been on the ground? A. In that case, we have to trust to the estimate of the engineer who has been on the ground.

Q. If there is no estimate from the engineer you make it yourself? A. Well, the duty of the Chief Engineer is to ask the District Engineer who went over the ground to make the estimate, but I do not know whether he does in every case.

Q. But if you are asked to make an estimate yourself, and you had not seen the ground and had no details given, what would you do? A. I would do the best I could to make a good estimate, approximate figures.

Q. Would you just take into consideration what you have before your eyes? A. If I was asked to make an estimate on plans and specifications before my eyes, I would do my best to give an approximate estimate, but I could not say whether it would be right or wrong.

Q. But that is what you would do? A. Yes, if I was asked to do so, but I would not desire to do so.

Q. You said you had an interview with the Minister the day previous to the day you had one with Mr. Coutlee? A. Yes.

Q. Do you remember that just a moment ago? A. The Minister called me in, yes.

Q. Will you tell us what happened there? A. The Minister called me in, and the contractors, Messrs. Kirby & Stewart were there, and they were talking about their claims for the Timiskaming Dam. This was explained to me by the Minister when I arrived there.

Q. Can you give the date of that? A. No. I cannot say the date.

Q. Well go on? A. And they explained to me what they were claiming, which I explained before. They were complaining about the classification they were receiving, the classification the engineers were giving them in their estimate, and were claiming higher prices for that, and this unwatering was one of the items, and there was another small item I think, but I don't remember it. Anyway I called the Minister's attention to the fact that according to the contract they were not entitled to anything. The Minister asked me to consider the matter in equity, that they were losing money and he discussed the matter very fully with the contractors and asked me to consider the matter very fully and to report, which I did, so I tell you frankly what happened.

Q. The question regarding which they called you there was to estimate the amount of their claim with regard to excavation? A. Yes, and unwatering, but I was just telling what happened as you asked me.

Q. You saw the initials of the Minister on the tender of Messrs. Kirby & Stewart for that work? A. Yes, I think I remember having seen some initials.

Q. Is that ordinarily done? A. Oh yes, the Minister—Will you show me the initials there? Yes, these are the Minister's initials, the initials of the Minister at that time.



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Q. Then those initials on this tender would be a justification to you to act, would be an authority to act? A. Not in this case.

*By the Chairman:*

Q. What do the initials signify? A. They signify that the Minister has either opened the tenders with the Deputy or that the Deputy has shown them to him and he has initialled them all, I think.

Q. He has put his initials on each one of the tenders? A. Yes.

Q. Then it could only signify that he has seen the tenders? A. Yes, in that case, that is all it could signify.

*By Mr. Lake:*

Q. Who are present when tenders are opened? A. Well, generally they are opened by the Deputy Minister and the secretary, sometimes by the Minister and the Deputy Minister, most often, as a regular routine now, they are always opened by the Deputy Minister and the Secretary. Two or three years ago the Deputy used to call me in sometimes to open the tenders but he has not done so for a long time. He always calls in the secretary.

Q. Is there a regulation that there must be two permanent officials present? A. Yes, always.

Q. And occasionally also, the Minister is present in addition to those two? A. Oh, yes, occasionally; well, no, if the Minister opens the tenders it is the Deputy with him only. There would be no other official probably, only two are required.

*By Mr. Ducharme:*

Q. I noticed that the estimates for the cost of the first dam, to be made of concrete, amount to \$108,582? A. Yes.

Q. This is signed by Mr. Perrault? A. Yes.

Q. Will you say what amount is put in that estimate for the coffer damming? A. Unwatering, \$6,000.

Q. Will you explain to me how it was reported to the Minister at \$4,000? A. Because this is the estimate of the Engineer. The tender of the contractor was \$4,000. He uses the figures in the tenders for comparison. This is only the estimate of the Engineer.

Q. Well, what was the amount mentioned in the memorandum to the Council? I mean to say who made the amount mentioned in the memorandum to Council? A. I made the memo. myself, sir, but based on the tenders. I had to use the tenders as documents of comparison between the different tenders. I could not use the different figures given, that was only an estimate.

Q. That was an estimate made on the 14th of January? A. The comparisons we gave are based on the tenders received.

Q. How can you explain to me that these estimates, being made by the Assistant Engineer of Public Works, that is what he signs himself, based on the plans, amounted to \$108,582, and that your calculation based on the same plans and quantities, with \$2,000 less for the unwatering, amounted to just \$400 less? A. Well, I don't know, I couldn't explain that now.

Q. You can look at that and tell me? A. Well, it is practically the same.

Q. But you have \$2,000 less for unwatering than he has. We can see where the difference comes in, but I do not see how you can make such a difference if you base on the same plans and the same quantities? A. Some figures are not exactly the same, some things are only rounded up—it is only an approximate plan.

*By the Chairman:*

Q. You put \$1,000 more for excavation, there is apparently \$1,000 there? A. Well, I may have changed something there that I thought should be changed. That

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is all, but they are practically the same. I cannot remember how all the differences occurred, but anyway it is almost the same. I wouldn't change his figures.

*By Mr. Ducharme:*

Q. This is based on the tenders put in? A. I don't think it is based on the tender put in, no.

Q. Of course it is. These are the prices of Mr. Kirby. These calculations are made from the unit prices made in Mr. Kirby's tender.

*By the Chairman:*

Q. It is quite obvious from comparing these prices with your memorandum that you took the lump sums for this? A. It was for items which were not covered in the contract. There are small items that were lumped.

Q. For instance, you put in rails and winches \$1,000, a lump sum, instead of \$560 as it appears in the other place? A. Yes, I just put an estimated lump sum. It was more the calculations that were changed, and that has made a little difference.

*By Mr. Ducharme:*

Q. I notice that you made this estimate—he put \$2,000 more for the coffer dam than you did, did you notice that? A. I don't think I did, but I don't remember.

Witness retired.

OTTAWA, WEDNESDAY MORNING, February 28, 1912.

PRESENT.

Honourable A. B. MORINE, K.C.,  
Chairman.

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

Commissioners.

The Examination of JOSEPH M. CHALIFOUR, recalled.

*Examined by Mr. Ducharme:*

Q. Mr. Chalifour, you have been examined here before? A. Yes, sir.

Q. Will you tell us again, how when you went to the office of Messrs. Kirby & Stewart to check the accounts, you proceeded? A. We did not go to Mr. Kirby's place. We had a room set apart in the Rosenthal building, where we met. Neither Mr. Kirby nor Mr. Stewart was present. The book-keeper or general man over the job was there.

Q. What is his name? A. Soper. He was present as representing the firm. The Auditor-General was present, Mr. Coutlee was present, the Engineer in Charge, Mr. Donnelly was present, C. A. Douglas of the Auditor's Office was present, and myself. We did not agree, Mr. Soper and us as to the terms of the agreement. He claimed—

*By the Chairman:*

Q. Contained in the Order in Council? A. Yes, he claimed we had nothing to do with the mode of settlement, that all we had to do was to examine whatever vouchers they were ready to submit. When we saw that we could not come to an understanding, Mr. Coutlee and Mr. Donnelly went back to Timiskaming and to give them satisfaction Mr. Douglas and I went through their vouchers and examined every voucher that we saw.

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Q. You did not go through their books? A. No, we did not go through their books. We examined their voucher books. They have one voucher book which is supposed to contain every expenditure that they have made in connection with the contract.

Q. And then from that voucher book did you make up an account as you went along or check the accounts as they gave them to you? A. We simply checked every voucher as entered and as represented.

Q. And there was an account before you containing the amount? A. Yes.

Q. Rendered by them? A. Yes, the account received by them, and the check, the paid check or paid draft.

Q. That was supplied to you on sheets of paper, the amount of what they had paid out was supplied to you on a sheet of account paper? A. Let me make that clear Mr. Chairman. The voucher book, every account is entered there in the voucher book.

Q. Yes' and then to check this they produced the original accounts acquitted? A. Yes.

Q. And the original cheque to pay them? A. Yes.

Q. And did they submit to you also an account, either in a book or on a piece of paper totalling this up? A. The total was made up at the bottom of each page of that voucher book, and the total of the voucher book is to be found on their claim.

Q. Well then you found that so far as their vouchers went they showed the expenditure which they claimed in the Department? A. Yes, less some amounts for interest.

Q. Less some amounts for interest? A. Yes, and we could calculate that.

*By Mr. Ducharme:*

Q. Were these accounts paid as they came in or at separate times? A. Well, some of them were paid inside thirty days and they got their discount. Others were paid or partly paid, a draft would be drawn on the firm for \$10,000 and they would pay \$3,500 on account of the draft and give their note for the balance, and later on it would be taken up, or something would be paid on account of the note, and I think one of the accounts was allowed to run for about a year or so, that was an account for \$10,000 with the Mussen Company. It was paid by instalments, three or four payments I believe, if I remember correctly.

Q. What about the wages? A. The wages—at the end of the month a pay sheet was made in Timiskaming, and then the Company, the partners, issued a check for the pay sheet and the men were paid out of that. Of course, like any of these big contracts, when you handle a big gang of men, you have some that do not wait until the end of the month, for one reason or another, and you have to keep an account of them, some petty cash to pay off those jumpers.

Q. In this account of wages was there any salary entered for Mr. Kirby or Mr. Rogers or any of their departments? A. No, sir.

Q. You are positive of that? A. To the best of my knowledge.

Q. Was there any salary paid to Mr. Rogers? A. No, not that I know of.

Q. How did you check the timber that may have been bought from people up there? The accounts for timber, or rather the payments for timber, because there would be no accounts, in many cases. - - - A. Yes, the payments for timber.

Q. Yes? A. Well, you see the firm supplying the timber would send in their account and the cheque in payment for that amount would be attached, the paid cheque would be attached to the account. We did not go into the particulars of checking on the amount of timber. I think it would have been too late for us to do so at the time as the work was done.

*By the Chairman:*

Q. You simply checked the voucher which showed that the parties had been paid for it? A. Yes.

*By Mr. Ducharme:*

Q. Was all the timber used on that dam bought from firms according to vouchers, would it all be bought from firms or would some be bought from individuals?

*By the Chairman:*

Q. Some might have been bought from individuals, I suppose, Mr. Chalifour?  
A. Some might have been bought from private parties but I do not remember as to that.

Q. If there was, you did not pass it unless there was a receipted bill? A. Exactly.

Q. There were no amounts paid except by cheque? A. No, all by cheque.

Q. Excepting the wages? A. There were cheques for the wages, too.

Q. As far as your work was concerned, what you did was to verify that there was nothing paid except by cheque? A. Well, yes.

Q. And the extensions were correct? A. Yes.

Q. As to the value of the goods you had nothing to do with it? A. No, of course I took a look into the prices paid and they were the ordinary regular prices that are paid everywhere.

*By the Chairman:*

Q. I suppose one thing Mr. Ducharme is trying to get at is: you did not go behind the voucher or cheque to see whether an individual really existed and had really been paid that amount? A. No.

Q. You took it that the receipts were in good faith and that the cheques had been really issued? A. Yes.

Q. You saw that they had been issued and paid? A. Yes.

Q. And you took it for granted that they had been issued and paid to individuals in payment of a real account? A. Yes.

Q. You did not take any means of finding out whether there were bogus payments for bogus accounts? A. No.

*By Mr. Ducharme:*

Q. And you don't know whether those goods for which you saw the cheques or vouchers had been delivered there or elsewhere? A. To the best of my knowledge all goods were shipped to Timiskaming, and all accounts rendered or paid, the destination shown on the bills was Timiskaming.

*By the Chairman:*

Q. But you did not take any steps to find out whether goods billed for Timiskaming were actually received there and used? A. No.

Q. The bill has not been paid yet so far as you know, the disputed bill by Kirby & Stewart? A. No.

Q. Do you remember an account of \$33,000 that was paid to them some time ago?  
A. Well, if you will remember about the date perhaps I will remember.

Q. December 26? A. That was paid on account of plant.

Q. Was there any difficulty about the payment of that amount, any objection on the part of the Auditor General? A. No, not that I know of.

Q. No objection whatever? A. No.

Q. Are you sure of that? A. Not that I am aware of.

Q. Haven't you yourself been busy about fixing the payment of that account?  
A. I have nothing to do with the payment on the plant. The payment on the plant was made on the authority of an Order in Council. The Department employed an expert for the valuation and his valuation was accepted by the Department and the payment followed naturally.

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Q. There was no discussion about it? A. No, there was no discussion about it, no.

Q. Do you know anything about a payment of \$48,000? A. Yes.

Q. Was there any difficulty about that payment? A. Well, it was held up for a while, for a certain time it was held up.

*By the Chairman:*

Q. By whom was it held up? A. The Auditor General refused the payment of that. Afterwards he changed his mind and passed all those accounts.

*By Mr. Ducharme:*

Q. And do you know why he objected? A. I think you will see in the file the first objection was that Council had not the right to practically change the terms of the contract.

Q. Outside of the Auditor General had you communication with anybody else about this? A. Well, I have talked of the case to the chief auditors of the Department, as a matter of business with the Department.

Q. Did you speak of this outside of your Department, did you speak to the Deputy Minister about it? A. Yes, naturally.

*By the Chairman:*

Q. That is the Deputy Minister of Public Works? A. Yes.

*By Mr. Ducharme:*

Q. What did he say about it? A. He was in favour of paying that and I remember at one time he told me to send the accounts to the Auditor General and let him take whatever action he wished on that. He said to get that out of the Department.

Q. Was he finding fault with the Auditor General? A. No.

Q. Did you speak to Mr. St. Laurent about it? A. Yes.

Q. On the same lines? A. Yes, I have several times talked about the accounts, and that particular account, the unwatering, with Mr. St. Laurent.

Q. As far as you know there was nothing irregular? A. As far as I know there was nothing irregular in the account.

Witness retired.

Commission adjourned until the afternoon.

OTTAWA, WEDNESDAY AFTERNOON, February 28, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

EXAMINATION OF JAMES B. HUNTER, Deputy Minister of Public Works.

*Examined by the Chairman:*

Q. How long have you occupied that office, Mr. Hunter, of Deputy Minister of Public Works? A. I was Acting Deputy Minister from the 1st of January to the 1st of July, 1908, when I was appointed Deputy Minister.

Q. You signed an agreement on behalf of His Majesty, with Kirby & Stewart, dated the 15th of October, 1911, relating to the Timiskaming-Dam? A. Well, I presume so, I do not remember the date but I sign all the contracts.

Q. Did you sign that agreement or any direct instructions? A. On the authority of an Order in Council.

Q. There has been an Order in Council passed in August, 1911, authorizing the taking of this work off the hands of Kirby & Stewart? A. Yes.

Q. And in pursuance of that Order in Council, this contract which I have referred to was signed in the month of October? A. I thought you referred to the first contract, that is the supplementary one.

Q. Now that is the contract of last year taking the work off their hands? A. Yes, but we had spoken of that always as an agreement with them, following the Order in Council taking the work off their hands.

Q. Then, we will use that form, an agreement and contract are the same thing in law; however, we will call in the agreement made on the 15th of October. Did you sign that contract in pursuance of any special direction, Mr. Hunter? A. I think the way it came about was this, that the Order in Council was secured and then the contractors requested the Minister to have the Order in Council put in the form of an agreement, which he said he had no objections to do, and authorized me to sign this agreement, following the terms of the Order in Council.

Q. I want you to be particular about this, because between the passing of the Order in Council in August, and the signing of this agreement in October, there has been a general election? A. Oh, yes.

Q. And a change of Government was going to take place soon after this agreement of October was signed? A. But that agreement was signed before the late Government went out of office.

Q. Before it actually went out of office? A. Yes.

Q. But in view of the fact that the change had taken place, I assume you would not have signed the contract, even though the Order in Council had been passed, unless you had some special direction to actually sign it? A. As I say, the contractors asked the then Minister to implement the Order in Council by an agreement in the same terms, which he authorized me to do.

Q. Do you know when you got that authority? A. Just generally—they were going backwards and forward.

Q. Was it before or after the election that you got the authority? A. Well, I think it would be after.

Q. Probably not long before you signed the agreement? A. No, just time enough to have the agreement prepared.

Q. Who drafted that agreement? A. I got it from our Law Clerk.

Q. You got it from the Law Clerk? A. Yes.

Q. That is Mr. Chasse? A. Yes.

Q. Who has appeared as a witness? A. Yes.

Q. Now, we noticed in one particular place, whether it may or may not be important, the punctuation which appears in the Order in Council is not followed in the contract. I just draw it to your attention—will you just glance at the Order in Council, at these words in the Minister's conceding recommendation:—

“Also, that the work already executed which may be considered as absolutely necessary be paid for at its actual and reasonable cost.”

Now, you will notice that in those words there is no punctuation in the Order in Council, whereas in the agreement it reads this way:—

“That the work already executed, which may be considered as absolutely necessary, shall be paid for at its actual and reasonable cost.”

You notice the punctuation, now I am drawing your attention to the fact that there are two commas there? A. Yes, I presume this was copied correctly.

Q. Do you know whether that punctuation was drawn to your attention at the time you signed the contract? A. No, there was no matter of that kind brought to my attention.

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Q. You did observe it, then? A. No, sir.

Q. And if that difference in punctuation changes the sense and meaning of the words, you have not observed it up to the present moment? A. That is correct.

Q. The form of the punctuation of the contract then would be the work of the law clerk? A. Yes.

Q. So far as you know, he alone would be responsible for it? A. He is to be responsible for the contracts.

Q. But it may or may not have been the result of instructions from some one—you don't know? A. No, I don't know.

Q. The distinction may be this, that in the present form, with the commas in, these words: "which may be considered as absolutely necessary" might be taken to be an admission of the fact that the work is considered as absolutely necessary, whereas in the other form it might be said that it was conditional? A. We have that in our own hands though.

Q. You think you have the question of interpretation in the hands of the Department? A. Yes.

Q. How? A. Well, I will carry out what I consider to be my interpretation of that contract.

Q. If the Council had power to pass that Order and your Department had power to make that contract, the contractors can sue you in the Exchequer Court? A. Not unless we allow them to.

Q. Upon the question of interpretation you cannot refuse, and you would not refuse? A. I think we would. You cannot dispute that.

Q. I never heard of a case of refusing a fiat on a question of recommendation? A. I would refuse to recommend a fiat, if that was not the interpretation intended.

Q. If it did not agree with your interpretation? A. If it was not the interpretation and was not intended, surely.

Q. Now, let your mind go back to the first tenders that were received for the wooden dam, at the end of 1908. We have evidence here that the tenders were received and opened on the 20th of November. The contractors say that early in November they were informed that their contract would be accepted and were told to get busy in ordering timber, which they did. Do you know who told them that? A. I have no knowledge of who told them.

Q. Had you any knowledge that they had ordered the material? A. No, nobody could tell them before the tenders were opened that they were the lowest tenderers.

Q. Well, they don't say that they were told before the tenders were opened—they say they were told early in November, and the tenders were opened on the 20th? A. Well, that would not be early in November. They might have been told after the tenders were opened that they were the lowest.

Q. Could they be told that their tender was accepted? A. No, not until the Order in Council was passed.

Q. Which did not pass until January. I find on the 28th of November, 1908, the Minister's memorandum was dated, but it did not become an Order in Council until the 18th of January. Of course you can only speak from your own knowledge, and I am only asking that, but as Mr. St. Laurent has given, as a reason why in January it was desirable to give the same men the contract for the concrete dam, they had already entered into engagements to obtain timber and other material? A. Yes.

Q. Well, if they had entered into engagements, had you given them any authority, either verbally or otherwise to do so? A. I could not.

Q. You could not legally? A. I never have done anything that I could not legally do.

Q. You are not attempting to make any distinction as to my words? You are not attempting to quibble when I use the words "give authority"? A. No, I said I could not give authority, and I never do.

Q. But would you tell them to go ahead with the work? A. I would not, that is equivalent.

Q. In your mind that is equivalent to giving authority and that is what you mean when you answered that last question? A. Why certainly.

*By Mr. Lake:*

Q. I want to know whether it is your custom to call for tenders before you have the authority to enter into a contract with one of those tenderers? A. We necessarily have to. We have not anything to work on until we have a set of tenders.

Q. Then a considerable length of time elapses occasionally, I presume, between the tenders being called for and after— A. (interrupting) Yes, we have to get reports on the tenders received from the Engineers, that is the date you have in the Order in Council which is signed by His Excellency, or I meant the recommendation lies in Council for three or four weeks, that would account for some of the delays on the order books.

Q. In the meantime you have returned the deposit to certain of the contractors? A. To all but the lowest tenderers—we always hold the lowest tenderers and if there is any question about Council not accepting the lowest one, we would hold two.

Q. How would you find out if there was any difficulty, or any question of Council not accepting the lowest one? A. By our knowledge of the contractors.

Q. You take it for granted that the recommendation of the Minister will be adopted by Council on that point? A. No, that is not what I mean. The practice used to be that to hold the cheques of the two lowest tenderers, but that has been found unnecessary in recent years, unless there is some special reason, and the only reason that occurs to me at the moment would be if the lowest tenderers had been contractors for us previously and had not been quite satisfactory. In that case we would hold the next lowest man until we would see whether Council would accept the lowest one.

Q. And these tenderers know that this is a condition that the deposit may be kept for a considerable time? A. Yes, I have a case now. A man tendered for the Sarnia armoury, last September I think, and we have not sent his cheque back yet. An Order in Council was passed to accept his tender, but it was held up owing to the change here in Government, and we are still holding that man's security cheque and he was asking for it the other day, at least he was asking how long we were going to hold it, and I told him that we would hold it until some decision was given by the Government.

Q. Neither he nor any other tenderer has the right to assume that the fact that his deposit is held by the Government means that his tender is going to be accepted? A. No, but that his tender is receiving the consideration of the Council.

*By the Chairman:*

Q. Now, the contract with Kirby & Stewart was not actually signed until the 22nd of July, 1909? A. No.

Q. In the meantime, they had material on the ground and had actually commenced work. Were you aware of that? A. Well, our practice is to notify contractors when the Order in Council passes, authorizing the contract to be made, that their tender has been accepted for the work, and they may proceed. The time of the actual signing of the contract may be considerably after the date of the Order in Council or after the date when they actually commence work.

Q. Chapter 39, section 17 of the Revised Statutes of Canada, makes that illegal. It says:

“No sum of money shall be paid to the contractor in any contract, nor shall any work be commenced until the contract has been signed by all the parties therein named.”



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Is that provision being constantly violated? A. The contractor then takes it on his own responsibility for going on with the work. We notify him that Council has accepted his tender.

Q. And you say the practice of contractors is to go ahead, whether the contract is signed or not? A. Yes.

Q. You are a consenting party to that practice? A. Otherwise, work might be held up for three or four months.

Q. I am not criticising the policy, but what is the practice? A. Yes, we do it in practice.

Q. Well, your Department having agreed to that, you are right up against the words of the Act. Under such circumstances you would not advise— A. (interrupting) That happens continually.

Q. Consequently, the practice and the Act are not equal? A. No, the Government does not always carry out its own Acts.

Q. Nor anybody else, as a matter of fact. It is a matter of frequent occurrence that work does not commence before the contracts are signed? A. It is nothing unusual.

Q. I wish to draw your attention to this, that actually the contract was based upon an Order in Council dated February 20, 1909, in which \$108,350 was the sum approximately estimated as the cost of the work? A. Yes.

Q. And at that time it was well known that plans and specifications for the concrete dam had to be made, and later on they were made. Why was not Council informed that a change of a location had occurred after the passing of the Order in Council of February 20? A. Does not the Order mention some change in location?

Q. No, none had been made at that time. This was February 20, and it was just changed from wood to concrete, and there was a change of location made some months after that or some weeks after that? A. Well, that is another practice that I won't say often occurs, but sometimes occurs, when an engineer comes to build a work it is a practice for him, that is, that he has the authority, without referring to Council, to change the location of that work, if he finds on further investigation the site is not so good a site as he should have.

Q. You mean to say, in a case like this, that whether authority has been given to change the material of a proposed dam, the plans of which are already made, that when a change takes place in location that may involve a large amount, the engineer in charge has the right to do that? A. You cannot assume it exactly that way. You have to put yourself back at the beginning. You are looking at this as a fact. Look at it before it has happened, the engineer does not know that it will amount to very much and he doesn't think it will.

Q. I do not admit that as a fact at all? A. It is just as fair to assume that as a fact, as to assume the other. You know the facts now, but the engineer did not know them when he made that change.

Q. Then, if the engineer makes a change, would he not be found in practice to report to the Department whether in his opinion it would increase or decrease the cost? A. Well, he could report to the Chief Engineer, and I think they all do, all the District Engineers. Their instructions are to report to the Chief Engineer if they find it necessary to make a change, and naturally they should inform him whether the change involves any additional cost.

Q. In this case, after he has made the change, the plans and specifications made up, and the quantities made up, show that instead of costing \$108,000, it would cost \$176,000, and all that appears before the contract was signed. Now, under those circumstances, would not be proper that Council should be informed of the change of location which so greatly increased the estimated cost? A. It may be proper, but it has never been done.

Q. Here you had an increase of over seventy thousand dollars on an estimate of \$108,000 not actual increase on but estimated increase, before your contract was signed, and you say that that is a reasonable thing, and is not a risky thing? A. Council passed these things on the understanding that this is the estimated cost. It may run double the estimated cost. They have authorized the work and leave it to the Department to do it.

Q. You mean to say that they pass on an estimated cost which is only a matter of opinion, because it could only be a matter of opinion—you mean to say it is the practice to authorize works upon an estimated cost that might be doubled? A. No, I would not say that was the practice. It is the exception, and a very rare exception.

Q. Do you consider it binding upon the Department to obtain the most accurate estimates they can possibly obtain? A. That is what they expect to get, certainly, from our engineers.

Q. Your engineers were already in this case for that very purpose? A. I should say that their estimate was all wrong, because they reported \$108,000 and when they got their plans out they reported \$176,000.

Q. No, they did not. Your engineers in January, 1909, were asked to say how much a concrete dam would cost instead of a wooden dam in the same place, and they said \$108,000 instead of \$76,000, which is a change from wood to concrete, and upon that Council were asked to make an order. Later on, the engineer in charge changed entirely the location of the dam, adding very greatly to the cost, but reports, and plans and specifications and estimate of the cost and all that is in the possession of your Department before the contract is actually signed. Now I say, under those circumstances ought not your Department to have informed Council of this great increase in the cost? A. Perhaps we should and perhaps the Chief Engineer never reported it to me or to the Minister. It would be up to us to decide what to do when we got the information.

Q. Now I would like to ask you as Deputy Minister when you signed the contract on July 22 1909 had you before you or had you seen the final estimate of the cost? A. I cannot say I did.

Q. We find no mention of it made in the minutes or memoranda of the Minister to Council until January 4, 1911, nearly eighteen months after it had actually been decided upon? A. Well, I daresay it was authorized by the Chief Engineer that change in location you know.

Q. I don't think it was? A. The District Engineer must have done it on his own responsibility.

Q. Here is the point, of course, personally, you do not have charge of the work, do you? A. No.

Q. It was left with the Assistant Deputy, Mr. St. Laurent? A. Yes largely, yes.

Q. He would consult you sometimes? A. Yes.

Q. Now, what I want to know is this, when you signed the contract in July, 1909, were you informed of the change of location and the increased cost which the change of location was going to make? A. That would not be put up to me in that way, when the contract was brought to me by the Law Clerk to sign.

Q. Well, charge your mind now whether you knew it or not? A. I cannot at this stage I might have heard of it or I might not.

Q. You don't remember that you did? A. No, I do not. I could not express an opinion as to what I would or would not do, under circumstances which did not occur. Supposing the thing never came to my knowledge, I cannot say whether I would have thought it advisable to refer it to Council or not.

Q. But I am asking you about facts which you did know, because it seems to me extraordinary that such a radical change could be made without your being informed

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of what was being done, and of what would be the result? A. Well, that may be.

Q. Now, who prepared the memorandums of the Minister to go to Council? A. The Secretary of the Department.

Q. And to whom does he submit them? A. He hands them to me.

Q. And as a matter of practice, do you give them personal consideration? A. I look them over. I assume the facts contained in them are correct; I do not practically do the work over again.

Q. That is very important, because to our minds the memoranda sent over in the name of the Minister are, I think I might use the word, grossly inaccurate, and the responsibility is to rest somewhere for it. I want, for instance, to draw your attention to some of them. You recollect that tenders had been asked for a wooden dam. A. Yes.

(Witness is shown the tender.)

Q. You are familiar with the forms of the tender used in your Department? A. Yes, naturally.

Q. I want to remind you, there are three general forms, one plan being a bulk price, No. 2 is the one you have before you a bulk price, but gives unit prices for extra work at the back of it.

Q. And the third one is for unit prices straight? A. Yes.

Q. Now, if you will look at the printed matter on the front page there, you will find it expressed that the prices given for unit prices afterwards were to apply for extra work? A. Yes, that is correct in this case.

Q. Well, now, in the Minister's memorandum, dated February 20, this statement is made: that the tenders above mentioned, in addition to bulk sum prices, give a unit price for each class of material including the cement. Now, would you call the unit price, given in that particular tender, a unit price applicable to the construction of a concrete dam, or merely a unit price for possibly a small quantity of extra work? A. That would all depend on whether the bulk sum tender would figure out to be based on the unit prices.

Q. How would it depend on that? A. Because that is shown, when the quantities of each contractor are figured out. This price amounted to \$98,000, that is, if the unit prices are actually the prices that enter into the work.

Q. But that is not the point, for instance, in a small quantity, say a thousand yards of concrete in a wooden dam, a man might give a price for concrete that he would not care to apply to a concrete dam? A. But if the price happened to be one that would apply to a concrete dam.

Q. But you would not have the right to assume that, would you, from this tender? A. The point I make is, that there is a difference in tenders of this sort that have a schedule for extra work. It may be a fair schedule or it may be an unfair schedule, that is, the contractors may put an extra price in the unit prices schedule. But if he has not done that he has put what I would call a fair price in his schedule for extra price, that is the same price as he would have applied for work, and so practically it becomes a tender itself.

Q. Under the tender which you have in your hand, a man would be entitled to receive a bulk sum for the work, would he? A. Yes, when he completed his work.

Q. And it would not make any difference whether he made money or lost money, he would only get the bulk sum? A. That is right.

Q. Well then, supposing in unit prices, they had either been too high or too small, that would not affect the bulk sum he would get? A. No, not under a bulk sum contract.

Q. Not under the contract based on that tender? A. No.

Q. Then when we come to deal with the change to a concrete dam, and therefore the using of a large quantity of concrete instead of a very small quantity, that might

be called for in a wooden dam, does it follow that the prices given there would apply to a concrete dam? A. If these were fair prices.

Q. For a small quantity? A. I don't know what quantity was here.

Q. It is evident before that there was no concrete whatever called for on the plan or specification for the wooden dam, but there might be a very small quantity—one of the tenderers estimated it at two hundred yards, and the highest at one thousand yards—and the price given in a tender for two hundred yards of concrete would not be a fair measure of what a man could afford a concrete dam for? A. It might or might not be.

Q. It would not necessarily be? A. Not necessarily, no.

Q. Now, you are the Deputy Minister of Public Works? A. Yes.

Q. And considering the case of a concrete dam at a particular place you pick up a tender which a man has put in for a wooden dam, with a small quantity of concrete, would you assume that he would build a concrete dam for the same price? A. No, I would not assume it.

Q. It might be or it might not? A. Yes.

Q. And would be a matter for inquiry whether he would take the same price for the cement? A. Yes.

Q. Having in view the actual circumstances that we had been dealing with, take this language here:—

“That the tenders above mentioned, in addition to the bulk sum price, give a unit price for each class of material,”

and then so on applying the prices the amount of the various tenders for the construction of the dam of concrete would be as follows: Now, is not that a plain indication from that language that tenders had been received for the construction of a concrete dam? A. I would not think so.

Q. You would not think so? A. No, sir.

Q. And would you not take that language to imply to a person just reading this order that the tenders received had been not only for a wooden dam, but also for a concrete dam? A. No, not necessarily.

Q. Not necessarily? A. No.

Q. Then we will go on with this language that follows right after the language which is already used:

“Messrs. Kirby & Stewart still remain the lowest tenderers on the altered conditions.”

Does that imply that they were tenderers on the altered conditions? A. No. It did imply that the tenders were figured out on the altered conditions; and that is the result.

Q. And it would not bear that implication to a person simply relying on this document? A. I think the document states what happens. We state what we have and what we are doing with it.

Q. But you do not state a lot of things that were necessary for the full understanding of the matter? A. The Minister understood.

Q. Yes, but I am not talking about the Minister but about the members of Council who did not understand it? A. If we went into details before Council they would never get through reading our reports. It has never been the custom. We give the salient facts and try to tell what we propose to do.

Q. And these salient facts should be expressed in such a way that they express with accuracy what you are doing? A. They did.

Q. You think the language expresses with accuracy what the indication was? A. Let me read that to you again.

Q. We don't think so? A. That is a matter of opinion.

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Q. Yes, but I want to give you a chance to put your opinion on record? A. The tenders will show that they are for the construction of a timber dam, bulkhead site, &c. Whoever prepared this recommendation to Council proceeded to state that the tenders above mentioned in addition to a bulk sum price, give a unit price for each class of material, (which is "absolutely so") including the cement, and applying these prices to the approximate quantity of material in the work as determined by the engineer, the amount of the various tenders (the same thing is applied to all the tenders) would be as follows. That is the way they work out. Now, it is up to Council to say whether they will accept that or not. They have to make up their minds on the facts before them.

Q. And they had before them the facts that you have stated? A. Yes.

Q. But not the facts that these prices which you quoted to them had been for small quantities of concrete in a wooden dam and were not asked for with the idea that there might be a concrete dam? A. I think they could fairly assume that from what we said, namely, that we called for a wooden dam and now are substituting a concrete dam.

Q. You think that is a fair interpretation? A. Yes, absolutely so. Any other interpretation I would consider grossly unfair.

Q. Now, here is a phrase in the same Order in Council, if you will consider it: it is in the second paragraph:—

"Moreover a great factor in the laying of concrete dams is the cost of coffer damming required which in different locations may raise the price to very much higher figures than those given. Cofferdamming will be required at Timiskaming and unforeseen difficulties may be encountered."

Now, read that and tell me what is the significance of that particular paragraph at that particular place? A. Well, as I did not write it I do not know what it was intended to convey. I am in the same condition as you are as far as judging what it meant.

Q. But you examined and passed the memorandum to Council? A. Well, I made a statement of the data which was given.

Q. But what is the meaning which it bore upon the face of it? A. I presume the meaning is that they could not tell exactly what they were going into. They had to change the wooden dam to a concrete but were not sure what they were going to run up against even with the concrete, and they wished to state that there was an uncertainty.

Q. You think that is a fair interpretation in view of the fact that they then proceeded to say:—

"Under the new tenders the work will cost \$108,000."

A. No, they put that in as an offset to that. They say: "There is the estimate of \$108,000, but owing to this other thing, it may run a great deal more."

Q. You think that is what it means? A. Yes. It has absolutely that meaning.

Q. I draw your attention first to the Minister's memorandum dated November 11, 1910, in which these words occur: that the carrying on of the concrete work during the winter will necessitate the housing of the section of the dam to be built and the installation of a heating system to prevent the fresh-laid concrete from being damaged during the freezing weather, that this further work is not provided for in the contract and its estimated cost is placed at from four to five thousand dollars, depending on the severity of winter conditions. In the face of that I draw your attention to the contract and specifications, or rather the amended specifications on page 6, as follows:—

"Winter work; concrete will be laid during freezing weather only under written instructions as to the precaution to prevent freezing. Work will be stopped and resumed as practicable and the material and plant will be kept heated and a mixture of salt will be added to the concrete."

How can you reconcile that with the statement that heating was not provided for? A. Well, this states here that concrete will be laid during freezing weather only under written instructions. Then it becomes a matter of what these instructions may be.

Q. Doesn't that imply that it will be laid under written instructions? A. It naturally would have to be laid under written instructions.

Q. Doesn't it go on to say that it shall be commenced and stopped whenever ordered? A. It gives the engineer in charge entire control over the work.

Q. Under that clause, if they were ordered to go on and do that work and to erect a house and keep it heated, could they refuse? A. Well, they could say, I suppose it will cost us more to do that.

Q. Suppose they did—they have agreed to go on when they are told to do so? A. Yes, under the arrangement with the Department.

Q. They have entered into a contract to commence and stop when told and to keep their work heated when they are doing it? A. What specification is this.

Q. That is the specification which was put into that contract when it was signed. It is prepared by Mr. Coutlee? A. This was the new specification which was not tendered on but was put in the contract when they were ordered to go ahead with the concrete dam.

Q. Certainly.

Mr. LAKE.—Both the original specifications and the new specifications are there? A. The original is only for wood. I was trying to get those amended specifications.

*By the Chairman:*

Q. I am dealing now with your memorandum to Council dated November 11, 1910, a year and three months after the contract was signed. Can you explain the statement now that the laying of concrete in winter was not provided for? A. Well, evidently whoever prepared that considered that that did not compel the contractors to do winter work without written instructions from the Department.

Q. You passed this memorandum, I presume? A. Yes, but, as I told you, I do not go through all these papers. I must necessarily have to assume that the facts stated are correct, unless I should do all the work myself.

Q. Then we will put the question this way: in a statement that involves the whole question whether the Government were called upon to pay for that or not, because if that contract did provide for it they were not obliged to pay for it, and therefore a statement as to what the contract contained would be the absolute keystone of the memorandum to Council? A. Certainly, and the man who prepared that would have all the papers before him but I would not.

Q. When this came before you you would accept the statement? A. I do not verify the statements.

Q. You do not verify the statements? A. No, sir.

Q. What is the special value of the memorandum passing before you? A. Because I have a general knowledge of the trend of the policy of the Department with regard to these things. I have my instructions to do a certain thing to have a report to Council prepared, to let a contract for this work. I send that to the Secretary and the memorandum for Council is prepared with the documents before him and I accept what he states in that memorandum, to be true, as long as the trend of the Order in Council is in the direction desired.

Q. The policy of that has previously been discussed between you and the Minister? A. Yes, he gives me instructions to do certain things and I give instructions in my turn.

Q. Is it not fair to assume that that policy was decided on the assumption that the contract did not provide for this winter work? A. I think that question should be answered by the man who prepared the recommendation, because he has the information and I have not.

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Q. I take it from the form of this memorandum that it would not be the man who prepared the recommendation who would be responsible for that recommendation, because the policy must have arisen from a belief that the contract did not provide for that very thing? A. That may be so. Would you let me set the memorandum there. You see that is a straight statement of fact, that this further work is not provided for in the contract. When a recommendation comes before me with a statement of fact like that being made, I assume that that statement of fact is correct.

Q. But in this particular case that fact would be the very foundation of the assumption of this obligation? A. You mean to pay the extra cost of this winter concrete work.

Q. Yes, upon the ground that it had not been provided for, surely in the discussion of the policy between you and the Minister, you would have to know whether it was provided for or not. A. If we were told that it was not provided for we would accept that.

Q. Can you cast your mind back and say whether you and the Minister did in that particular case discuss the question? A. No, we did not, and we would not look up the specification ourselves to see what was in it and what was not in it. We would simply leave that to the officer who had looked them up.

Q. And do you remember having a discussion with the Minister as to whether that obligation should be undertaken or not? A. No.

Q. You do not remember having such a discussion Mr. Hunter? A. No, sir.

Q. But the probabilities are that you did? A. No, not necessarily.

Q. You would not personally undertake the policy without consulting the Minister? A. No, but he must have discussed it with Mr. St. Laurent, do you see?

Q. He might have discussed it with you? A. No.

Q. The policy of doing it would not be decided upon by any one except the Minister? A. No.

Q. Now, with reference to these memoranda for Council, they are signed by the Minister and sent over by you, I suppose, in due course to the Council and filed? A. Yes. The Minister returns them to me and I send them over.

Q. And they may or may not be considered by Council while the Minister is present? A. That is true.

Q. Shall I presume that if the Minister is absent from Council and the matter is not very pressing, that they are kept until the Minister is there? A. I have never been in Council, that is secret, and I do not know what they do.

Q. But you must know from outside whether matters that you have sent over from your office frequently await action of Council until the Minister comes back? A. Well, if he is out of Ottawa, the more important ones wait until his return, but others go through.

Q. Some do wait for the Minister's presence and some go through? A. Yes.

Q. And now in a Minute dated January 4, 1911, a recommendation is made that the actual cost of coffer damming and unwatering necessary to complete the dam across the Quebec channel, including the removal of the said coffer dam, plus the usual fifteen per cent for incidentals, etc., shall be paid to these contractors, and on Minute goes on with a certain amount of the history of what has been done, and on the second page of that memorandum it says that the new Engineer in Charge, after authority is given by the Order in Council to change from wood to concrete, found it necessary to change the site of the dam and altered considerably the lines of the original plans, and then adds that the dam under these conditions required a deep cut-off wall, and both the up stream and down stream sites required more plant to carry on work and increasing considerably the cost of coffer damming and unwatering. Now no mention is made in that memorandum any where that all these changes referred to had taken place before the contract was signed with the contractors, and that a most positive written notice had been given to the contractors that the amount of \$4,000

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allowed for unwatering would not be exceeded, and no mention of that positive notice or direct reference to that fact had been put in any previous memorandum of the Minister to Council. Now, do you not consider that the omission of these facts was the omission of something that it was very important for Council to consider in this connection? A. Well, I would say to that you could always be sure of having everything represented if you had the man in charge of the work prepare your recommendation to Council but unfortunately you have not, and they passed through a third or fourth hand, who are not familiar with the work.

Q. Well you are the Deputy Minister of Public Works, and I am drawing your attention to a fact, to what strikes me as the omission of the most important and significant fact going right to the question of what should have been done for these contractors, namely, that they have signed the contract after full notice of those conditions relied upon in the memorandum, and after they had received pointed notice that in accepting the contract they were accepting four thousand dollars as the price for the unwatering and would not get any more? A. I presume if the man who prepared that memorandum had known that he would have put it in.

Q. You knew that? A. No, I didn't know that.

Q. As Deputy Minister of Public Works you didn't know those facts? A. I cannot know every change that is taking place in the Public Works from the Atlantic to the Pacific.

Q. Were you aware of those facts that I put in my question? A. No, I don't think I was.

Q. What I want to get at is that some one has to accept the responsibility for it? A. That is the unfair part of the thing. The Deputy Minister has to accept the responsibility of what other people do around the Department.

Q. I am going to get past theoretical responsibility and get down to actual responsibility. Now was the actual responsibility on you or on Mr. St. Laurent?

A. All I had to do was to look over the memoranda and pass them on to the Minister.

Q. You had to look over the memorandum and pass it on to the Minister, but who prepared it? A. I don't know definitely who prepared that or how much information he had.

Q. The control of this Timiskaming matter was to a very large extent left by you to Mr. St. Laurent? A. Yes.

Q. He being an engineer, and this being engineering work? A. The Chief engineer is the man, before Mr. St. Laurent, who is responsible.

Q. But Mr. St. Laurent is Assistant Deputy Minister and is aiding and abetting you? A. Yes.

Q. The Chief Engineer is subordinate to him? A. Yes.

Q. And it being engineering work Mr. St. Laurent has charge of it? A. No, the Chief Engineer.

Q. He was under Mr. St. Laurent? A. Yes.

Q. We know the Chief Engineer was sick and away? A. He is always sick and away, and if Mr. St. Laurent has to be Chief Engineer he cannot be Assistant Deputy Minister and Chief Engineer too.

Q. The Chief Engineer would have nothing to do with that memorandum to Council? A. It would be based on his reports.

Q. Where the practical handling of a matter is in the hands of the Assistant Deputy Minister, and memoranda to Council are coming up, does the Assistant Deputy Minister look after them? A. He does.

Q. In this case would the Assistant Deputy Minister look over this memorandum to Council? A. Yes.

Q. From your memory of this case, can you say that he did? A. No, I cannot say he did, but he naturally would.



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Q. He ought to know a great many things that you don't know? A. Yes, certainly.

Q. As a matter of practice in your Department, when the memoranda to Council come up and are prepared by the secretary, would you tell Mr. St. Laurent to look over them? A. Sometimes, when I am in doubt and I know that he is familiar with everything that has gone on, I send it to him to check over.

Q. Did you do so in this matter, Mr. Hunter? A. I cannot say that I did.

Q. Would it not be desirable to have some practice on the subject? A. We practically have a practice.

Q. Your practice is that it would have been sent? A. Yes.

Q. But it might not have been done? A. No, it might not have been done, but that is the practice.

Q. Now, on August 5, 1911, the Minister's memorandum goes to Council, recommending the assumption of all the work, and the payment of certain things. It recommends this, that the work already performed, materials delivered, and plant supplied, shall be paid for at its actual and reasonable cost. Did you enter into a discussion of the policy of that particular order? A. No.

Q. Well then, I notice this, as a fact—one of the reasons given for this decision is that in the spring an expensive coffer dam had been partially destroyed and swept away. No special mention is made in this order whether or not the cost of that coffer dam destroyed and absolutely lost is to be included within the amount the Government was going to pay? A. They took that over before in the previous order.

Q. No, they had taken over the duty of completing this coffer dam? A. If it was carried away, the coffer dam that they undertook to complete, it would be their responsibility, and they would stand the loss.

Q. You are right there. That had been adopted under a previous Order. The memorandum dated August 5, 1911, starts out with this statement, that under the authority of an Order in Council dated the 18th of January, 1909, a contract was awarded to Messrs. Kirby & Stewart for the construction of a wooden dam on the Ottawa River. Now, as a matter of fact, no contract was awarded for the wooden dam? A. Yes, it was awarded by the Order in Council.

Q. It was authorized by the Order in Council? A. That is what it means in that case. The words are synonymous.

Q. But, as a matter of fact, there was no contract signed? A. No, it was awarded, but not signed.

Q. That is your explanation of it? A. Well, that is correct.

Q. You cannot award a contract? A. The Order in Council awards the contract.

Q. I beg your pardon, no man can award a contract. I cannot make a contract. It takes two men to make a contract. The Order in Council can authorize the making of a contract, but they cannot award it? A. They do award it in authorizing it. Our expression is that the contract is 'awarded' by Order in Council. That is the expression we use. Of course if our language does not convey the right meaning, that is our fault, but no one has misunderstood it before. At least, it has never been called to my attention before.

Q. Well now I want to draw your attention to the fact that in the Justice Department they take issue with your use of that very word, and in this very Order they refer to this very language in the memorandum dated 5th of August, 1911, in which you say that a contract had been awarded. The official in the Justice Department says "not so," and on the back of it he says "the recital in the Order in Council is wrong"? A. Well, there is nothing to show whose note that is.

Q. If you go further on you will find the memorandum made in the Justice Department? A. This is not one of our files, and of course I don't know anything about it.

Q. It is a file from the Justice Department and I am drawing your attention to the fact that the Justice Department say that that use of the word is wrong? A. It was not brought to my attention.

Q. You said that no one ever understood it? A. I said it had never before been brought to my attention, that it had been misunderstood.

Q. You remember that the Auditor General took objection, away back in 1909, to your decision to award a contract for a concrete dam to Kirby & Stewart? A. Yes.

Q. Contending that you ought to ask for new tenders for it? A. I forgot just the ground of his objection, but I think it came out later than the date you mentioned, but it developed at any rate that that was his contention.

Q. No, it came out very plainly then? A. The time is easily fixed; it would come up on our first application for payment to the Auditor General on the contract for the concrete dam.

Q. On January 28, 1909, a letter from the Auditor General says:—

“The unit prices and other tenders were for extra work, and the substitution of concrete for timber makes an increase of nearly one-third of the whole work and new tenders should be asked for.”

Q. Why was not that question referred at the time to the Department of Justice? A. Because the Government disagreed with the Auditor General.

Q. What Council disagreed with the Auditor General? A. The Cabinet; the Government.

Q. It does not appear that it was before the Cabinet at all? A. When they authorized the contract to be made the way it was made, and the Auditor General disagreed with the way they let it—he questioned their right to let the contract in that way.

Q. Was the fact that he had questioned their right to let the contract in that way brought to the attention of Council? A. I do not know what goes on in the Council, but it was brought to the attention of the Minister.

Q. You have no reason to think that he mentioned it to Council? A. I have every reason to think it would.

Q. But as a matter of fact the Order in Council had been passed authorizing it before the Auditor General rejected it, had it not? A. Yes, but if the Auditor General held up payments on contracts which the Council had authorized, the contractors would go to the Minister, and the question that the Auditor General had refused to pay would come to the attention of the Minister and he would advise Council of that fact, naturally.

Q. You think he would? A. He would ordinarily.

Q. Now, as a matter of fact, don't you proceed in another way? Don't you prepare a memorandum for the Minister in which you state that you thought Mr. St. Laurent's argument on that point was right and that the Auditor General should be overruled? A. I think so, I think he asked for that to take it up to Council.

Q. Why didn't you think proper to ask the opinion of the Justice Department on that point? A. Because I did not think I required it.

Q. But you did refer the very same thing nearly two years later to the Justice Department? A. By direct instructions from the Minister, but not on my own initiative at all. And that was when matters had got to such a crisis that the Minister had to make some move and that is the move he made. He referred the whole thing to the Justice Department to try and straighten out the matters between the contractors and the Auditor General. He gave it up.

Q. On the 4th of February, 1909, you prepared a memorandum to the Minister, and you say that after referring to the objection of the Auditor General and to the reply of Mr. St. Laurent, you say that this reply answers to your mind conclusively

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the point raised by the Auditor General, and you would recommend that the Department proceed with the concrete in place of the cribwork, do you not? And that is marked "approved W.P.," which would mean Mr. Pugsley, the Minister, I suppose?  
A. Yes, William Pugsley.

Q. Do you know whether that was approved upon presentation of your notes, or whether it was approved later on? A. I don't know that.

Q. You do not know whether it was approved before its coming up in Council or not? A. I don't know that it ever did go to Council.

Q. Then there is a memorandum at the bottom of it by yourself, dated 11th February, 1909? A. Yes, I always put dates on mine so that I know when I did initial them.

Q. And the memorandum which you have put on it, dated 11th February, 1909, is: "prepare recommendation to Council"? A. That would mean the "W. P." was put on previous to that date. It must have been before the Minister between the 4th and the 11th of February, 1909.

Q. Now you made a statement here in the same letter that calls for new tenders would necessarily delay the work? A. Yes, so I see.

Q. Now, didn't you know at that time, on the 4th of February, that new plans and specifications would be necessary for a concrete dam? A. No, I was probably taking that from Mr. St. Laurent's memorandum informing me to that effect. I had no knowledge where the plans were.

Q. You do not accept any personal responsibility for the hurry? A. No, that is a matter for the engineers.

Q. I was asking you a moment ago about the use of the word "awarded," in the memorandum to Council with reference to a contract. Now, I draw your attention to your letter of the 11th of May, 1911, addressed to the Deputy Minister of Justice, in which you say:—

"The authority of Council was obtained under date January 18, 1909, to accept their tender, enabling Messrs. Kirby & Stewart—"

You will notice that these are the very words that I used a short time ago, in discussing with you the propriety of using the word award, namely, "the authority of Council to accept their tender." Then you go on to say:—

"However, before the contract was awarded, upon subsequent investigation, it was decided to change to a concrete structure."

There you see your own statement that the contract was not awarded? A. It is a quibble of words.

Q. Is it a quibble of words in your letter? A. As a matter of fact what does Council do? They authorize the Minister to make a contract? Don't they authorize him to award a contract?

Q. No? A. I think they do.

Q. I say they do not because you cannot award a contract. In that letter you say that the contract was not awarded, and in the memorandum to Council you say that the contract was awarded. Now, which is right? A. I did not make the memorandum to Council.

Q. Well, which statement is right? A. The contract was awarded by the Order in Council to Kirby & Stewart, but was never signed.

Q. Then your letter is wrong? A. No, my letter is perfectly right. It is using the words in a different way.

Q. You have no right to use the same words in two different ways? A. Well, every letter I write I cannot sit down and study for an hour.

Q. It is a very clear case of answering your own argument a moment ago. The letter from which I am just now quoting is your letter from the Deputy Minister of

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Justice, asking his opinion upon the legality of the Order in Council, dated January 24, 1911. Why did you not in that letter mention the fact of the two objections by the Auditor General, and let the Deputy Minister know that you were asking his opinion because the Auditor General had objected? A. Because I sent him the file and he had all the papers before him.

Q. What file did you send him? A. He had everything. It was a great big parcel and I think he had all you have here.

Q. He has told me that he had nothing, but what he has supplied me with? A. He could not supply you with our files, because he didn't have them in his possession to give to you. But he had them and returned them with his answer. He had our files. Doesn't my letter say that I am sending him the files.

Q. Now, drawing your attention again, referring to the tenders received for a wooden dam, you say: "Messrs. Kirby & Stewart's prices made them the lowest tenderers for the concrete as well as for the wooden structure first contemplated." Now, is that a fair statement, Mr. Hunter? A. I think so.

Q. Do you mean to say now with all your knowledge that Kirby & Stewart's prices made them the lowest tenderer for the concrete structure? A. Certainly.

Q. Do you mean to say now that they never tendered for a concrete structure? A. No, I do not.

Q. Isn't that what that thing says? A. No.

Q. What does it say? A. The timber dam was first intended and there was a schedule of unit prices and tenders for that and it was decided to erect a concrete dam and figuring out the tender for the concrete unit prices, Kirby & Stewart are still the lowest.

Q. Doesn't that statement make them the lowest tenderers for the concrete as well as the wooden structure imply that they tendered for the concrete structure? A. No, not at all, not with all the facts there.

Q. That is your deliberate opinion to-day? A. Certainly, every one knew the facts.

Q. The Minister of Justice didn't know any of the facts, except what you were telling him? A. He saw the file.

*By Mr. Lake:*

Q. You said just now: "attached to the tender was a schedule of unit prices." This letter does not say so. It says: "As the tenders received were for unit prices" now, is that a true statement? A. That may be a mistake on my part. I think that was my impression that way.

Q. Is it a correct statement of what is the fact? A. Partly.

Q. But they were not tenderers for unit prices? A. I may have been under the impression they were.

Q. We are not finding fault with your misapprehension, but it astonishes me that in the face of what we know now you insist on misinterpreting your own language. Were Kirby & Stewart ever actual tenderers for a concrete dam? A. No, they never were, certainly not.

Q. You were getting the opinion of the Deputy Minister of Justice upon the most important and technical question, and therefore your letter should have been extremely accurate, should it not? A. That letter was written in a hurry, as most of my letters are. I have to fight to take time to write letters in my office, and I cannot make a study of them as you can here respecting them.

Q. There may be any amount of excuses, but when you are calling for a definite opinion upon a matter, a most important technical legal point, shouldn't the statement of that case be accurate and technical? A. I try to make them so under my knowledge at the time, and I safeguard myself by sending the papers so that he cannot get out of it, as he is apparently trying to do. He is apparently trying to do now, on the ground of not knowing the facts.

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Q. There is not a word in your letter to show that you sent the file? A. I remember distinctly, and it can be proven by my clerk, what went over, because I remember the parcel.

Q. When contractors or tenderers or other persons come to see you for verbal discussion is any reference necessarily kept of their interview with you? A. None whatever.

Q. Is there any record kept in your outer office of the arrival and departure of people to see you? A. None whatever.

Q. Is there any memorandum kept by you of consultations between yourself and the Minister? A. No.

Q. Haven't you found it very inconvenient not to have some reference to those interviews? A. No, I cannot say I have.

Q. Are you familiar with the practice that obtains in many commercial offices of having the arrival and departure of persons interviewing members of the firm noted on the cards when they go in and when they came out and a record of that kept? A. No, I never heard of that before.

*By the Chairman:*

Q. With reference to the Chief Engineer's Department, Mr. Lafleur has been ill and absent from his office a good deal for the last three years, has he not? A. Yes, the last two or three years.

Q. And the Assistant Chief Engineer, Mr. Dufresne, is largely engrossed in the dredging business? A. Yes.

Q. Then the Chief Engineer has not really an assistant in his office who is an engineer? A. Yes, he uses Mr. Valiquette to supervise the Engineering Department.

Q. He comes in and out of Ottawa frequently; he is a travelling man, is he not? A. No, he is here most of his time.

Q. As an inspecting engineer what are his duties? A. Supervising engineering here at Ottawa, to take up matters referred to him by the Chief Engineer and practically do his considering for him and report to him.

Q. Is that his official title, Supervising Engineer? A. Yes.

Q. When he goes away from Ottawa on public works, what is his special mission? A. Various missions, we might send him to make a special report on some muddle the District Engineer had got into where there is a difference of opinion between the contractor and the District Engineer, to hear both sides and report how it should be settled.

Q. Well now, your Department is very largely engaged in engineering work, that is the Department of Public Works? A. Yes.

Q. You are not an engineer by profession are you Mr. Hunter? A. No.

Q. And consequently, with regard to all matters of a technical nature you have to depend on the men below you? A. Yes, sir, absolutely.

Q. Are you satisfied with the organization at present, in that particular—that is, are you satisfied that it is as strong as it should be? A. No.

Q. Don't you think there should be some board or body of supervision upon projected works? A. I have been trying to get that for the last three or four years.

Q. Have you made any representations in writing along that line? A. I think I did, on the occasion of Mr. Miles being brought here to Ottawa, as a preliminary step towards forming such a board. He was an engineer on our Winnipeg staff and I got him here and have been using him the same as Valiquette and if a couple of others were here at headquarters they could be used as investigating engineers and also to consider reports from District Engineers and advise the Chief. That is as far as I have got; I have Miles here and Valiquette.

Q. Did you make a written memorandum about that? A. Yes, at the time I transferred Miles here, I have said that.

Q. Now, we have to consider among other things the organization of the Public Service, and this feature has been impressed upon us in inquiring into this matter. Would you mind giving us the memorandum which you have prepared, or, if you prefer it, would you prepare another memorandum on that point? A. Certainly, I shall be glad to. If you can further the organization of that I will be very glad.

*By Mr. Ducharme:*

Q. Were you aware of this letter from the Auditor General to you on the 20th of January? A. Yes, I must have seen it.

Q. When you prepared your recommendation to Council on the 28th February, don't you think that you should have mentioned that letter? A. I did not prepare the recommendation.

*By the Chairman:*

Q. Well, when he supervises it you mean?

Mr. DUCHARME.—Yes, and when he prepared it too—here is the memorandum?  
A. That might or might not be, if the Minister decided to take no action on the Auditor General's letter.

Q. Was the Minister made aware of that letter? A. Oh, yes.

Q. Now, there were some few payments made of \$33,000 and \$40,000 to Kirby & Stewart? A. Yes.

Q. Do you remember these payments? A. I do not remember them but I suppose they were made.

Q. One was \$33,000 for plant and one was \$40,000? A. Was that paid recently?

Q. Last summer? A. Well no, the plant I think was just valued by a man named Griffiths, and it was paid recently, that would be out of that vote. I remember the payments were authorized.

Q. Don't you remember that there was some discussion about this payment and the Auditor General refused to pay that? A. He refused to pay it in the first place and he said we have to get a special vote in order to have him pay it, and we did get that special vote and after we got that he said: "Even though you have got this special vote I won't pay it because you should have called for tenders." He kept that up for a while and then he gave in and paid.

Q. Chalifour was the man—A. Yes, Chalifour was the man who represented us in going over the contractor's accounts to get at how much the contractors were entitled to according to the terms of the Order in Council.

Q. He does not belong to your Department? A. Oh, yes, he is checking clerk under the Chief Engineer, who looks over all the accounts that come in, the prices, and checks them up.

Q. Had you any discussion with Mr. Chalifour on that point? A. No.

Q. You did not give him any advice? A. Oh, no.

*By Mr. Lake:*

Q. I understand that when the Department decided to recommend to Council that the Government should themselves assume the work and take it off the hands of the contractors, orders were sent to the engineers to go on with the work at the expense of the Department on the 8th of August, and the report to Council was only presented to Council on the 10th of August and passed on that date. Is it customary to anticipate the actions of Council in this manner? A. No, not customary, but if the Minister has discussed the matter previously and Council knows how it stands he will take the responsibility knowing that he can pass the Order in Council.

Q. That could only be done under direct instructions of the Minister? A. Oh yes, absolutely.

Q. Do you know of any cases in which contractors who have deposited money as security for their tenders have forfeited that security? A. I think only once that has

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come to my notice. It is that of a contractor named Cameron for some public buildings in the Eastern Townships. It was forfeited and he has been trying to get it back ever since.

Q. How many years ago was it forfeited? A. Fifteen or sixteen years ago.

Q. In your experience, at any rate, for fifteen years, you don't know of any case where the deposit has been forfeited? A. That is the only case which came to my attention where a contractor's security was forfeited. There may have been others but it is very rare.

*By the Chairman:*

Q. Do you know where security has been returned and the contract taken off the hands of the contractors? A. Oh yes, there are cases like that.

Q. It occurs frequently? A. Not frequently, but it occurs. At the Winnipeg St. Andrew's Rapids dam, near Winnipeg, the first contractor was unable to complete it and his security was given back and the work taken off his hands and the work remade.

Q. Did you reimburse him all his loss? A. No, we took his plant over.

Q. And you also took over the work that he had done? A. We paid him for it.

Q. On the same principle as this one? A. Yes.

Q. Are those the only two cases you remember? A. All that I can strike off-hand at the moment. I know there are others, however.

Q. Where you take work off the hands of the contractors in that way and pay them for the work done, don't you value the work and pay them off on a valuation or do you pay them on the amount expended? A. There is an examination made of the work, that is of the work done, and it is valued by our engineers, in case it is engineering work, or if it is a building the valuation is made by the Chief Architect.

Q. In this particular case you did not do that? A. In this case it is a departure.

Q. A departure from the rule? A. Yes, from what has been done in other cases where work was taken off the hands of the contractors.

*By Mr. Lake:*

Q. How is the rule interpreted in your Department in regard to receiving and opening tenders—what is the procedure? A. There was an Order in Council which was passed some two or three years ago, relating I think to all the Departments, at least we have acted on it, that the only persons who are authorized to open tenders are the Minister, Deputy Minister, and some one or other of the officials of the Department, the Minister may designate them, who can open tenders with the Deputy Minister. If the Minister opens them, which he very seldom does, the Deputy Minister will open them with him. In the case of our Department I and the Secretary open all the tenders.

Q. The Order in Council simply requires two permanent officials to open tenders? A. Yes, the Minister may be one with a permanent official, or it may be the Deputy Minister and some one else, and naturally, as tenders are received by me, and the Secretary, they naturally would be the Secretary and the Deputy Minister.

Q. The Secretary receives the tenders and stamps them on the outside? A. Yes.

Q. If a tender comes into the office without the word 'tender' marked on the outside, is it received or what happens to it? A. Of course if it is not marked 'tender' on the outside it is opened and if it is found to be a tender it is sealed up again and placed with the tenders to which it belongs.

Q. Do you consider that a proper practice, Mr. Hunter? A. What else could you do?

Q. You could reject the tender? A. That comes up for consideration later on and of course it would be rejected.

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Q. It ought to be rejected if opened beforehand? A. Certainly, I don't know of a case where a tender came in like that and was opened beforehand was ever accepted.

Q. Then, the two officials who open the tenders draw up the general memorandum as to the contents of the tenders? A. No, what we do is this: There may be one of our schedules on those files and I will explain it to you. We initial these tenders as they are opened, both of us, in the presence of one another, and the Secretary takes them away and prepares the schedule and puts at the bottom that the tenders were opened on such a date by the Deputy Minister and the Secretary.

Q. And the tenders having the initials upon them, that covers the point? A. Yes, covers it quite conclusively.

Witness retired.

The commission adjourned.

THURSDAY MORNING, OTTAWA, February 29, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

Examination of JULES A. CHASSE, Law Clerk of the Public Works Department.

*Examined by the Chairman:*

Q. How long have you occupied the position of Law Clerk in the Public Works Department, Mr. Chasse? A. About eighteen years.

Q. You are a member of the Quebec Bar, I suppose? A. No, I have not been received as a lawyer. I studied law but I have not been admitted to practice.

Q. You studied in the Province of Quebec? A. Yes.

Q. Then you never practised law? A. No.

Q. In whose office were you studying? A. The late Hon. Jean Blanchet.

Q. And when you first came into the Civil Service to what position were you appointed? A. I was appointed at the House of Commons during the session. During the recess I was employed by the Department of Public Works on surveys. I have some knowledge of the Civil Engineering profession.

Q. When did you obtain your present position? A. 1894.

Q. You have been Law Clerk ever since then? A. Yes, ever since.

Q. What is your salary at the present time, Mr. Chasse? A. \$2,600.

Q. Will you briefly describe your duties as Law Clerk of the Public Works Department? A. Well, sir, I have to prepare all the legal documents, such as contracts, bonds, deeds of sale, and all legal documents, I have to examine the titles when they buy sites.

Q. The class of work which according to our English practice would be called 'solicitor's work'? A. Yes.

Q. For the Public Works only? A. Yes.

Q. And with regard to the questions of law which arise of any importance, they are sent by the Department to the Department of Justice, are they not? A. Yes, we always do that.

Q. So you do not have to advise on legal questions? A. No.



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Q. Except upon minor questions that come up? A. Yes.

Q. Generally then, Mr. Chasse, your work is in the preparation of documents?  
A. Yes, and we submit my drafts very frequently to the Justice Department.

Q. For instance, in making a contract for the Public Works, you now have a printed form of contract, have you not? A. Yes.

Q. And you just simply fill in the blank spaces in the forms? A. Yes.

Q. When you fill in the blank spaces in printed forms, of course the contract is not sent to the Justice Department is it? A. No.

Q. But the blank form itself in its blank form had been approved by the Justice Department, that is what you mean? A. Yes, sir.

Q. Well now, I want to draw your attention to a contract dated 22nd of July, 1909, between Kirby & Stewart and the Department of Public Works? A. Yes, sir.

Q. Is that writing in the contract your writing? A. No, not mine, but that is the handwriting of my assistant.

Q. Mr. who? A. Mr. St. Denis, that was done under my direction.

Q. That was done under your direction and the contract passed your examination? A. Yes, sir.

Q. How many assistants have you? A. I have three people working for me.

Q. One is the Assistant Law Clerk? A. Yes.

Q. What is his name. A. Mr. Skinner, he has been appointed recently.

Q. How long has he been in the Department? A. He is in the Department since August and he took possession of his office only in October.

Q. Where did he come from? A. St. John, N.B.

Q. Is he a barrister, an admitted barrister? A. Yes, sir.

Q. How old a man is he? A. About forty or forty-four.

Q. Was there a vacancy there or was that a new office? A. No, there was no vacancy, it is a new appointment.

Q. Then he has practised his profession in New Brunswick? A. Yes, sir.

Q. Whom have you besides him? A. Mr. St. Denis and a young lady.

Q. What is St. Denis' position? A. He is a stenographer and typewriter and is able to write in both languages.

Q. And the young lady? A. She is typewriter.

Q. Stenographer and typewriter? A. Yes.

Q. That constitutes the whole of your office? A. Yes, sir.

Q. Well, the printed form of that contract in question is one of those which is prescribed by the Department of Justice? A. Well, I think so, will you allow me to look at it.

Q. Certainly? A. Yes, sir, after looking at it, I think it is.

Q. On the regular forms of your office? A. Yes, because we have a new form now.

Q. When you come to prepare a contract of that kind, from what source do you obtain your information as to the terms of the contract? A. Well, I take the tenders and the Order in Council and all the file of correspondence is submitted to me.

Q. In this particular case of Kirby & Stewart for the Timiskaming Dam, there was no tender? A. I think so.

Q. There was a tender for the wooden dam? A. Yes.

Q. At the sum of \$76,000? A. Yes, if I remember well, I have not looked at that.

Q. I will just recall it to you and if there is anything important you can look at the file? A. Yes.

Q. You remember that it was decided to make a concrete dam? A. Yes, to substitute concrete for the wooden dam.

Q. And there were some prices that had been given at the back of the original tender for extra prices, unit prices they were called, for extra work, and it was decided to make them the prices of the contract? A. Yes.

Q. So that when the contract was made it was a contract for building a concrete dam, but there have been no tenders for the concrete dam, the tenders being for the old wooden dam? A. Yes.

Q. Now will you just see what was the last Minute of Council you would have, here are the copies? A. This is the report to Council.

Q. Yes, but the Order in Council follows from that, so that one is just as good as the other. Now this is February 20, this was the Order in Council. I am drawing your attention to memorandum of the Minister to Council, dated February 20. When the amount of the consideration is being filled into the contract, it appears that on page 6 the consideration expressed in this way follows that Order in Council:—

“The contractors will be paid for the works hereby contracted, as follows: for the whole works herein contemplated to ensure the construction and completion of the concrete dam, bulkheads and slides, across the Ottawa river at the head of the Long Sault Rapids, near Timiskaming Station on the Canadian Pacific Railway, in the Township of Gendron, Province of Quebec, a sum at unit prices mentioned in the annexed schedule, or an approximate total sum of \$108,050 of lawful money of Canada.”

Now, I want you to tell me whether that is a contract to pay the unit prices or a contract to pay \$108,050, because you see it is expressed in the alternative, a sum at unit prices, or an approximate total sum of \$108,050? A. Yes.

Q. Now, what is it? A. Well, I understand—

Q. (interrupting)—It is a contract which governed, and it is expressed in the alternative? A. Yes.

Q. Now, how much is it? A. Well, this amount has been put here taken from the Order in Council.

Q. That is the \$108,050? A. Yes.

Q. But as between the Government and contractors the Order in Council is not the governing thing? A. No.

Q. It is the contract which is the governing thing? A. Yes.

Q. And you were instructed to prepare that contract with the Order in Council before you, were you not? A. Yes.

Q. Now in the Order in Council before you one might say that this contract was for the unit prices, and that the words “or an approximate total sum of \$108,050” was more the statement to council of what it would approximately cost? A. Well, it would approximately cost about \$108,050.

Q. According to the Order in Council? A. Yes, and according to the contract too, that is the interpretation I give it.

Q. But what had you to do with the putting into a contract the calculation as to what the approximate sum would be, what had that to do with the contract as between the Government and the contractors? Why should you put into the contract an estimated sum? A. Well, I do not understand very well. Well, I understand—

Q. (interrupting) I want you to tell me as a lawyer who has prepared that contract, why it is expressed in the alternative, and whether it clearly sets forth which of the two things was to be paid? A. Well, it means that the unit prices calculated would represent the amount, the approximate amount, but very very near \$108,050.

Q. Now I ask you as a lawyer, what had the contractors and the Government to do with stating in the contract an approximate amount? Why put that into the contract at all? A. Well, I submitted this draft contract to the Deputy Minister.

Q. But the Deputy Minister would not advise you. You are there to advise him, are you not? A. Well, not always.

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Q. But you ought to be, should you not? A. Certainly.

Q. And you don't mean to say those words were put there after you took it up with the Deputy Minister? A. No.

Q. Well, the point I am getting at is this: you say that contract was prepared under your instructions? A. Yes, this contract was prepared in my office, and I have afterwards submitted it, before it was signed, to the authorities. I have submitted this draft, to the authorities.

Q. Are you not there to advise the authorities on legal matters? A. Well, I give my opinion and they follow it generally, not always, but sometimes.

Q. But I am trying to deal with this matter, and I am trying first to find out what is your position in the Department, and the next point is the value you place upon your legal opinion. Now, I put this question to you: do you mean to say in this case the Deputy Minister asked you to change that? A. Oh no.

Q. So that those last words "or an approximate sum" were not put there at the suggestion of the Deputy Minister? A. No, not at the suggestion of the Deputy Minister.

Q. Well then, in this particular case, you are responsible for that language? A. Yes, I have done that myself, prepared that and submitted it, and they found it O. K.

Q. You don't mean to say in legal matters in your Department you expect to be advised by your Deputy Minister? A. No.

Q. Is it not your duty and place there to advise the Deputy Minister on matters of law? A. Certainly it is.

Q. He is not a lawyer? A. No.

Q. Well, then, I asked you as a lawyer why you should put into a contract which is to be under seal, signed by the parties, an approximate sum, when you are making a contract for unit prices? A. Yes, this amount of \$108,050 is the result of the calculation of the unit prices.

Q. We understand that. A. Well, that is all.

Q. You will admit, I suppose, that between the Government and the contractor, the contract would govern in a court of law, wouldn't it? A. Yes.

Q. Well, now, I put it to you now; does the contract alone show whether it was a contract for unit prices or for a specific sum? A. No, it was for unit prices, it shows that, but amounting to \$108,050 approximately.

Q. Why put that in? Supposing a court of justice were to ask you why you put this approximate sum in here if it does not mean anything except the calculation, what answer would you give? A. I am answering you now, Mr. Morine, that I have inserted it because I took it from the Order in Council.

Q. I now show you a copy of the contract made October 5, 1911. You were a witness, if you will look at the back of it you will see that you were a witness to the execution of that contract? A. Yes.

Q. Did you draft the contract yourself? A. No sir.

Q. Do you know where it was drafted? A. I think it has been drafted by some lawyer.

Q. By Mr. Chrysler, K.C.? A. Yes sir, I saw a draft agreement with his name on the back.

Q. Where is that draft? A. Well, I don't know, it is not in my office.

Q. Was it kept down in your office? A. It was copied from that draft, in my office.

Q. Do you mean to say a copy was made in your office and the draft remained in your office? A. Yes.

Q. I wish you would go up from here as soon as you are through and find that draft and bring it down? A. Yes.

Q. It was copied exactly as it came into your office? A. Yes.

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Q. Were you asked to give your legal opinion on it? A. Not at all.

Q. Who brought it to your office? A. I think it came by the ordinary course, by messenger, I think.

Q. From the Deputy Minister, would it not? A. From the records, but certainly it was referred to the Deputy before.

Q. This could not be on the records before. I am asking about the draft? A. That draft prepared by Mr. Chrysler came from the records to my office.

Q. Where are the records? A. It is a room opposite my own room.

Q. I want you to bring down the record at the same time on which you find it because we have been furnished with what we were told were all the papers in this matter, and now it appears that there is a record which we have not seen? A. I mean the records room. As to the draft prepared by Mr. Chrysler, I think it is in my office. It was only one copy, and this had to be executed in duplicate.

Q. I want you to find out where it came from and we will adjourn while you go up and get that paper and bring it down and any other papers that come with it, and bring them right back again? A. Very well.

The examination of Mr. Chasse was then adjourned.

OTTAWA, THURSDAY, February 29, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

Examination of EDOUARD PERRAULT, Engineer of the Public Works Department, continued:—

*By the Chairman:*

Q. You have been sworn already in this matter Mr. Perrault? A. Yes.

Q. Well, what is the date of this document which I now show you, and which I think is in your handwriting? A. It is dated November 20, 1908.

Q. That is November 1908? A. Yes.

Q. Do you notice the estimate accompanying these letters amounting to \$79,354.85? A. Yes.

Q. Are they in your handwriting? A. No, it is not my handwriting.

Q. And it is made by a clerk? A. Yes, a clerk in my office.

Q. Those are the details of the calculation that you give? A. Yes, sir.

Q. Do you notice there the item for unwatering is \$4,000? A. Yes, sir.

Q. Where did you get that amount of \$4,000? A. It was an estimate which I had made from certain calculations after having visited the site, and from the soundings I had at my disposal. It was unwatering for the construction of a wooden dam, you know.

Q. Now, Mr. Perrault, the tenders for that work were in on the 18th of November. This calculation was given by you to the Department two days later, on the 20th of November? A. According to that letter, yes.

Q. Now are you quite certain that you did not get the sum of \$4,000 from the tender of Kirby & Stewart? A. Oh, I am sure I had nothing at all to do with the tender of Kirby & Stewart.

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Q. Now Kirby & Stewart in their tender put in for unwatering the of \$4,000?  
A. That I don't know.

Q. Precisely the same figures as in your calculation? A. That I don't know.

Q. Don't you know that even now? A. No, I do not, because I have not had anything to do with the tenders from that time.

Q. Well, then did you tell anybody before the tenders were made at what you estimated the unwatering—what you estimated that unwatering would cost? A. I did not.

Q. Don't you think it almost an extraordinary coincidence that your estimate of \$4,000 for unwatering should be precisely the amount Kirby & Stewart put into their tender? A. It is quite a coincidence.

Q. Would you call it an extraordinary coincidence, Mr. Perrault? A. Well, I don't know, but still I don't know how they could have come to the exact amount.

Q. Well, now, the other tenderers, one put in \$15,000, another \$20,000, and the fourth man put in a tender for \$54,994 for the unwatering. Did your scheme or plan for a dam show what unwatering would be necessary? A. To make that plain.

Q. You made a plan for the dam? A. Yes.

Q. On that plan of the dam is there anything showing about the nature of the unwatering? A. No, sir.

Q. Was there anything in the specifications existing at that time to show what unwatering would be necessary? A. No, except what was shown on the plan as far as the depth of water was concerned.

Q. There was that much data? A. Yes, sir.

Q. But did the specifications set out that they would be required to coffer dam for instance? A. No, my recollection of the specification is that the unwatering the contractor was to do at his own risk.

Q. That is, he was to do any unwatering that might be necessary? A. Yes, the way of unwatering was his own way of doing, there was nothing to specify how he was to do it.

Q. There was nothing to specify how the contractor was to do the unwatering? A. No.

Q. Or to show that your Department would require him to do it in any particular way? A. No, sir.

Q. And on the other hand there was ample room was there not, for tenderers to have different opinions as to what kind of unwatering would be necessary? A. Yes.

Q. And that fact that they did differ was shown by the great difference between \$4,000 in one case and nearly \$55,000 in the other case being tendered for the unwatering? A. Yes.

Q. And the \$55,000 tender was the one put in by the only one of the tenderers who knew that place intimately, that is to say by Mr. Lumsden, a lumberman there? A. Yes.

Q. Now I want to ask you this: You say you did not tell Kirby & Stewart what your figure was, but will you now tell me if you had given your estimate of what it would cost for unwatering to the Department before the 20th of November? A. I had given the Chief Engineer the amount of my estimate.

Q. For the whole work? A. Yes.

Q. How much? A. \$80,000, if I remember.

Q. What did you allow in the \$80,000 for the particular item of unwatering? A. The \$4,000 which I afterwards put in my estimate.

Q. Did you give him figures showing these items or did you give him just a lump sum? A. A lump sum. He asked me for a lump sum estimate in order to get the amount of the percentage that is required in calling for tenders.

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Q. Now, Mr. Perrault, had you supplied the Chief Engineer with your estimate of \$80,000 in writing or verbally? A. Verbally, I think.

Q. You didn't give him the particular figures which made up this \$80,000? A. Not until that time when the estimate was given on the 20th of November, if I remember correctly, I am under the impression that up to that date, in fact I am pretty sure I had not supplied him with the details of the estimate.

Q. You just gave him the sum of \$80,000 in order that he might fix \$80,000 for the tenders, that is as the amount of security deposited, being ten per cent of the \$80,000? A. Yes.

Q. But you did not give him the details of the \$80,000? A. I don't think I did sir.

Q. But you did not state up to that time to any one that \$4,000 would be the amount of your estimate for unwatering? A. I did not.

Q. You are sure you did not? A. No, sir, I did not.

Q. When these tenderers were coming into your office looking at the plans, might you not have mentioned to some one that you thought \$4,000 would be about the cost of unwatering? A. I don't think so, I don't think that in any way I gave any parts of my estimate to any one coming in.

Q. You were up at the lake yourself examining the ground? A. I was.

Q. How late was that, just prior to the tenders coming in? A. About a month before if I remember rightly, but I couldn't tell you now the date of course unless I went to the office and looked in my diary the day I was there.

Q. Do you think it was about a month before? A. Yes, I think it was about a month before.

Q. Might you have mentioned to any one there at the time what you would think it would cost to do the unwatering? A. No, I don't remember having done any such thing.

Q. Charging your memory with it and seeing the importance of the question, you cannot intimate to me any way in which any one could have found out your figures before you gave in that statement of November 20, to the Chief Engineer? A. No, unless, which I do not believe, the only one who had access to the figures is the clerk or draughtsman who wrote these figures. He is the only one who had access to these figures.

Q. Had you made up these figures, I mean this estimate of \$4,000, showing the \$4,000, some days before you put them in? A. Oh yes.

Q. Who was the clerk? A. Huguet.

Q. Is he still in your employ? A. He is still in the Department of Public Works under Mr. Brophy.

Q. Is he in the city now? A. Yes, in Mr. Brophy's office, you know at that time you must recollect that I was also under Mr. Brophy who was the one in charge of that work.

Q. Yes, would any one else except you and Mr. Huguet have access to those calculations? A. No, sir, not that I know of.

Q. Is Mr. Brophy in town now? A. That I couldn't tell you. We had an office of our own separate from Mr. Brophy's office.

Q. Would Mr. Brophy be in the city at that time? A. Yes he was.

Q. Would he know those figures? A. No, he would not.

Q. So if it got out of your office at all it must have got out through yourself or through Mr. Huguet? A. Yes, that is all.

Q. You say this was made up some time before the 20th of November when you sent it in? A. Yes, sir.

Q. But the handwriting is that of Mr. Huguet? A. That one is.

Q. That is you mean that the copy which is attached here is in the handwriting of Mr. Huguet? A. Yes, sir.

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Q. But that would be a copy from a table you had made out yourself? A. Yes.

Q. Would you have in your office the file of papers which would show the original?

A. I have the original memorandum.

Q. Of which this is a copy? A. Yes, sir.

Q. Now this letter to Mr. Lafleur, the Chief Engineer, dated November 20, 1908, how would that be handed in to him? A. It was sent.

Q. Well was it sent by hand or through the mails? A. Not through the mails, if I remember correctly it was either delivered personally or through a messenger.

Q. And you cannot remember about that I suppose? A. No I can not.

Q. It is so long ago that it is difficult for you to remember that? A. Yes.

Q. You cannot remember either whether you went up and had a talk with Mr. Lafleur about it? A. I remember distinctly going to Mr. Lafleur some time previous when he asked me the total of the estimate, and I told him.

Q. But you did not give him the details of the estimate at that time, he says? A. No.

Q. The details were drawn up then? A. Yes.

Q. They were drawn up at that time? A. Oh yes, they were drawn up by that time.

Q. But you did not tell him at that time what the details were? A. If I remember rightly he did not want the details, he only wanted the round sum on that date.

Q. Then in making \$80,000 as the estimated cost of the wooden dam did you consult with the Chief Engineer, or is the calculation entirely your own? A. Entirely my own.

Q. You took the quantities from your dam plans and specifications and you estimated the prices which were charged for timber and that sort of thing, I suppose? A. That is what I did, sir,

Q. And you allowed a certain sum for unwatering which was the only thing not calculated closely? A. Yes.

Q. And you said \$80,000 for the whole thing? A. Yes.

Q. And you told the Chief Engineer it would cost \$80,000 the first time. He did not of course discuss with you how you made up that \$80,000? A. No, sir.

Q. Later on, when you put in that detailed statement of November 20, 1908, did you discuss the details afterwards with the Chief Engineer? A. No, sir.

Q. Or with anyone else? A. If there had been any discussion or if there is any one to whom I have shown the figures it would be the Assistant Deputy Minister, Mr. St. Laurent.

Q. Do you remember having any discussion or criticism? A. There was no criticism that I remember of except that part I told you of in my last examination about having the tenders called by unit prices.

Q. Oh yes, you told us about that? A. Yes, that is the discussion I had with him.

Q. But there was no criticism of the correctness of your figures in making up that \$80,000? A. No, Sir. there was not.

Q. Well then I notice that in November, 1908, the Chief Engineer reported the cost of the dam to the Deputy Minister at \$80,000? A. Yes.

Q. At that time the Chief Engineer must have been acting upon your verbal statement? A. He must have.

Q. He did not have before him any details to show what it would cost? A. No, he had not.

The examination of this witness was adjourned for a time.

Witness retired.

OTTAWA, THURSDAY, February 29, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman,*  
 G. N. DUCHARME, Esq.,  
 R. S. LAKE, Esq.,  
*Commissioners.*

Examination of RODOLPHE DESROCHERS, Secretary of the Department of Public Works.

*By the Chairman:*

Q. In opening tenders for the Department of Public Works what is the practice as to the persons who shall be present? A. The Deputy Minister and Secretary. There is no fixed rule. They may be opened by the Deputy Minister and the Assistant Deputy Minister or the Minister and Deputy Minister.

Q. There is a rule that they shall be opened by two people, I understand, is there not? A. Yes.

Q. Does the Minister ever open them alone? A. No, not to my knowledge.

Q. Are they initialled when opened? A. Yes, they are initialled by both officers opening them.

Q. Has that practice been long in force, Mr. Desrochers? A. Always in force to my knowledge.

Q. Then after they are opened and initialled what is done with them? A. They are listed.

Q. Are they taken away by the Secretary? A. Yes, and handed to the Secretary's, secretary who makes a schedule of the tenders according to their figures.

Q. That of course would happen if the Secretary or his assistant were present at the opening of the tenders, but supposing you were not one of those present? The Deputy Minister would hand the tenders to the Secretary to be listed in the usual way.

Q. I want to draw your attention now to some tenders received in the fall of 1908 in connection with the Lake Temiskaming dam. You will notice they are endorsed W. P. which would, I suppose, mean Mr. Pugsley, the Minister, himself? A. Yes.

Q. We can find no other initials upon them anywhere—will you just see if you can? A. Is this all one tender?

Q. No, there are four tenders there? A. No, I see but one signature on these tenders, and the initials are W. P.

Q. And on the Kirby & Stewart tender besides the initials are the words "award contract"? A. Yes.

Q. Now in whose handwriting are those two words "award tender"? A. Mr. Pugsley's.

Q. Can you give any explanation as to why there are no other initials on those? A. None, except that it was evidently opened by the Minister.

Q. Do you mean to say—it is evident there are no other initials? A. I don't see any other initials.

Q. I don't ask you to guess as to why no other initials appear. You don't know whether the Deputy Minister was there when it was opened or not? A. Naturally I cannot say on that point.



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Q. I am asking you to say from your memory if you can remember. You were not present when they were opened were you? A. No, sir.

Q. And consequently you do not remember who was present at the opening of those tenders? A. No, sir.

Q. You only know that it is the practice to put the initials of the parties who were present at the opening of the tenders, and you know that the practice was not followed in this case, if any one else was present with Mr. Pugsley? A. Yes, sir.

Q. It may be that there was no one present but Mr. Pugsley? A. I don't think so.

Q. But it may be? A. It is a possibility, but it would be very unusual.

Q. Very unusual? A. Yes, and although there are no initials appearing on the tenders of the second party, I am almost certain that there was one there.

Q. How do you know? A. On account of the practice.

Q. But rules are proven by exceptions? A. Yes.

Q. You base your statement purely on the ground that it is the practice? A. Yes.

Q. Not upon anything you know with regard to this case at all? A. No, sir, I have no knowledge of this particular case.

Q. Look at the tenders and tell me first whether there is anything in that form of tender which says on what date they shall be opened? A. I don't think the form of tender would show that.

Q. Can you tell me from anything on the tender what was the date in fact in which they were opened? A. The schedule should show that.

Q. Well in the first place, before we come to the schedule, the envelopes show on their backs the day they would be received in the office, don't they? A. Yes, but there is nothing on the envelope to show what date they were opened.

Q. There was nothing on the envelope to show what date they were opened? A. No, sir, not on the envelope.

Q. Nor on these tenders themselves? A. No, sir.

Q. Well, now I show you the schedule of tenders and I ask you if there is anything on the tenders to show on what date they were opened? A. According to the schedule I should judge they were opened on the 21st.

Q. Is there anything in the schedule which shows in so many words on what date they were opened? A. No, November 21, would to one initiated indicate that they were opened on that date, because the tenders are handed into the Deputy and that is the date I received them.

Q. If these tenders were opened and you were not present the tenders would have come through the Deputy Minister down to you? A. Yes.

Q. And I presume your schedule would be dated the day it was made up? A. Yes, sir.

Q. Consequently if they were kept by the Minister or Deputy Minister after being opened the schedule wouldn't show it? A. No.

Q. Then the schedule does not necessarily show the date opened? A. Unless it were an exception.

Q. The date which is put on the schedule, which schedule is prepared in your office, is the date the schedule is made up? A. Yes, sir.

Q. And if it happens after the tender is opened that it is sent to your office the same day, the two dates would be identical? A. Yes.

Q. But if a tender happens to be hung up by the Minister or the Deputy Minister, the date on the schedule is not the date of the opening? A. Precisely.

Q. Consequently if they were improperly opened or detained there is nothing on the tenders or the schedule to show what the date of opening was? A. Well, sir, if you will allow me to see the dates on which they were received. This one was received November 19, and this next one on November 19. There should be on the file something to show on what dates tenders were due. I think they were due on November 19.

Q. Here it is? A. Yes, here they were due on November 19.

Q. It was put in on that date? A. Yes.

Q. Would that include the whole day of November 19? A. Yes, up to 4-30.

Q. Following the practice of your department are tenders opened immediately after the time is up? A. As a rule the next day, very seldom the same day.

Q. Is that a positive rule that must be obeyed? A. No, sir.

Q. Does it happen frequently that they are not opened the next day? A. It does, but not frequently.

Q. But it does happen from certain causes? A. Yes.

Q. What causes might prevent them being opened the next day? A. Well work. I should say pressure of work.

Q. Or absence of the Deputy Minister? A. Yes.

Q. Or the absence of the Minister might prevent them being opened? A. Not necessarily, because the Minister as a rule does not open tenders.

Q. But we have in this case evidence that he did open tenders. However, there is no absolute rule that tenders should be opened at a certain hour of the day? A. No.

Q. What becomes of them after they are out of your offices before they are opened? A. They are put in the safe and the day following a memorandum is sent to the Deputy Minister that so many tenders have been received for such a work and are held in the safe pending his leisure to open them.

*By Mr. Lake:*

Q. Do you put the date and the hour they are received? A. I do but that was not the practice then. It is not marked here.

Q. It is not marked on the envelope? A. No, it was not the practice then this was in 1908.

Q. At the present time who has control of your stamping machinery in the office, I mean of the stamps by which you mark the hour? A. There is no stamp, I write it myself.

Q. You write that in every case yourself? A. Yes, in every case myself.

Q. Might not your assistant mark one? A. No, I mark it myself.

Q. Are you always there? A. No, when I say I always mark it myself I mean when I receive them I mark them myself, but when I am not there the Assistant Secretary receives them and he acts in my place.

Q. Are all sealed tenders brought in personally or do some come through the mail? They come through the mail and some are handed in personally.

Q. Every sealed tender must go to you personally? A. No, not necessarily. There are some tenders addressed to the Minister or the Deputy Minister by people who do not follow the instructions, and they are put in my office unopened.

Q. If they happen to be marked tenders they are put in your office unopened, but suppose they come to the Minister or the Deputy Minister and are not marked as tenders? A. Why they are opened.

Q. Would you receive them in an opened condition? A. Yes, and put them in an envelope and put them with the others.

*By the Chairman:*

Q. Would they be considered with the other tenders? A. Yes.

Q. And if it happened to be the lowest tender, one of those opened tenders might be accepted? A. Yes, if they were regular and received in time.

Q. But there is irregularity about them because they are opened, and their contents are known to some one before the contents of the others are known? A. That would be to the detriment of the tender opened.

Q. Not always? A. It would give an opportunity to any one to put in a lower bid.

Q. Don't you consider there should be an absolute rule that no tenders should be considered which are not sealed up to the minute when all tenders are opened?

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A. No, I don't think so. But they are sealed as far as secrecy is concerned when they are in my hands.

Q. But they have already passed through the hands of possibly the Minister, the Deputy Minister, and the Minister's Private Secretary, the Deputy Minister's office staff. It may be known by half a dozen people before it reaches you? A. Of course that is not a frequent occurrence.

Q. But it does sometimes occur? A. Yes, and those tenders are considered.

Q. How long have you been secretary Mr. Desrocher? A. A year and a half.

Q. What was your previous position? A. I was Assistant Secretary.

Q. How long were you in that position? A. A matter of 18 years I think.

Q. A matter of 18 years? A. Yes, no I think 18 years is too much, no it is since 1896, that would be 15 years.

Q. Who was the Secretary before you? A. Mr. Tessier.

Q. How long was he in that position? A. About a year and a half.

Q. Who was secretary when you came into the office? A. Of the Department do you mean?

Q. Were you not in the secretary's office at that time? A. No, I have had a varied record in the Department, I came in as an ordinary clerk in the lower division, that was in 1885, and I was afterwards taken in by Sir Hector Langevin during his last year's administration and afterwards I was Secretary to the Minister of Public Works, Mr. Ouimet, during his term of office, and then I was with Mr. Desjardins, till 1896, and in 1896 I was made Assistant Secretary in the Department.

Q. You have had a long experience in that office? A. Yes.

Q. Now is it part of your duty to prepare memoranda of Ministers to go to Council? A. Yes.

Q. Will you tell us what are the usual features in the preparation of these memoranda—how is it done? A. Well the instructions are generally from the Deputy Minister to prepare an R.C. (Report to Council), papers are handed in to me with instructions to prepare a report to Council, sometimes the instructions are to prepare a report according to the paper handed in. This paper might be a report of the Chief Engineer or some one else, on the lines of this matter.

Q. You get on the bottom or on some piece of paper, "Prepare R.C., Signed J.G.M." or something of that kind? A. Yes.

Q. Or you may receive verbal instructions about it? A. I do.

Q. And you prepare a rough draft? A. No, I study the documents that are handed to me and bring down a stenographer, and after studying the question I dictate to this stenographer, that is after I have it well in my mind, I dictate it to the stenographer and he takes it down and brings it to me.

Q. And the next step is to do what? A. Send it to the Deputy Minister.

Q. You send it up officially in an envelope? A. Send it in by the messenger.

Q. You send it in by the messenger? A. Yes, Sir, to the Deputy Minister's private secretary and she hands it to the Deputy Minister.

Q. Who is supposed to look it over? A. Yes, and if he has any alterations to make he makes them and returns it to me, the alterations, if any, are made and is returned to the Deputy Minister to be submitted to the Minister.

Q. Then the responsibility of preparing the memorandum is evidently yours? A. Yes, Sir.

Q. And the responsibility of adopting the memorandum would be the responsibility of the Deputy Minister? A. Yes.

Q. We are trying to fix the responsibility with reference, that is the real responsibility with reference to certain memoranda which we think are not sufficient in their terms, and we inquired of the Deputy Minister yesterday, and he was disposed to say, "Well it is true that I looked over them, but I am not the responsible party, it is the secretary"? A. Yes.

Q. I may say personally that I do not acquiesce at all in that view, because I could not see why the memorandum should be sent to the Deputy Minister at all if the official responsibility was not to be his. Now with that explanation I want to put this question to you: Do you not send documents to the Deputy Minister on purpose that he should revise them if he is not satisfied with them? A. Well, it is the intention, but the document should be perfect when it reaches him, as far as possible.

Q. Then it should be as perfect as you can make it? A. Yes.

Q. It represents your opinion upon the document? A. Yes.

Q. And in the course of practice in many cases don't you and the Deputy Minister get together and discuss whether it really expresses, that is whether the document does properly express what is wanted? A. Yes.

Q. You have frequently done that? A. Yes, we have.

Q. The Deputy Minister has sent for you and has said: "Mr. Secretary, I don't think that is exactly the expression that we need," and you have consulted together and altered in some cases what was put there? A. Yes.

Q. That indicates that the Deputy Minister does not really receive your document and take it as a matter of course, but exercises the right of criticism? A. Oh, yes.

Q. And you insist that he has the right to criticise? A. Oh yes, he has the right to criticise and the duty as well.

Q. And you think he has the duty as well of criticising? A. Yes.

Q. In other words the sole responsibility is not yours? A. No.

Q. With reference to the Minutes to Council that were prepared on the Lake Timiskaming matter do you remember having at any time any discussion with the Deputy Minister concerning the framing of these documents or any of them? A. No, sir.

Q. Did you look this morning to see whether he had any original drafts of them in your office in any way? A. I have with me the reports to Council which were made and on which were passed those orders you have there. The wording is the same in every respect.

Q. You brought with you the recommendation—is there a file in your Department? A. Yes.

Q. Now, would these recommendations you have brought be the drafts as you sent them to the Deputy Minister in the first place? A. No, sir, because sometimes they were altered.

Q. That is what I wanted to get, of course we have from the Order in Council what you sent to Council, but have you any data showing alterations? A. Yes, there is one where I find they did not go as I had it. When my original drafts are corrected or altered the drafts prepared are destroyed, that is they are not kept.

Q. You have nothing then to show whether any alterations took place in your drafts in this case or not? A. No, except from memory.

Q. And from memory you can only remember one date? A. Yes.

Q. That is the one date of February 18, 1909, which was altered in the second paragraph? A. Yes.

Q. But you cannot remember what the alteration was? A. Some addition to make clear what the importance of this work was.

Q. Have you any data up there showing what the alteration was? A. No, there is nothing at all. I do not keep the drafts on which alterations were made when alterations were of any importance. They were of no importance that I can see.

Q. Well, with reference to that particular order I have been curious all along to know what was the meaning of the expression: "Moreover a great factor in the cost of concrete was the cost of coffer damming?" A. That very wording was added in there.

Q. By whom? A. By the Deputy Minister.

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Q. Yesterday, he could not explain the meaning of it? A. Well, at the time I made a memorandum of the corrected copy. The instructions came to me to make the corrections by Mr. Tessier, who was then secretary, and I was assistant. I received instructions from Mr. Hunter through Mr. Tessier to make these corrections, and I told Mr. Tessier that I thought he had misunderstood Mr. Hunter's instructions, because this did not fit in there.

Q. You could not see the relevancy of it at all? A. No, and as Mr. Tessier has not a very good knowledge of these things, I thought perhaps he had not taken Mr. Hunter's instructions correctly, I told him so, but he said, I think it is all right, and so I made the corrections, but to make sure I made a note: "I do not see that this fits in." I sent it in in that way, but my recommendation came back signed by the Minister and went on to Council.

Q. Now, with reference to all the Orders in Council bearing on this Timiskaming Dam, do you remember whether you drew them yourself personally? A. I had to deal with them, some of them I simply put in form, now for instance, the one which withdraws the contract from Kirby & Stewart was handed in to me by the Assistant Deputy Minister.

Q. That is the one of August 5, 1911? A. Yes, and I simply put it in form, no, the one of January 4, that is the one I mean, not the one of August 5.

Q. Well, which is it, both of them or one of them? A. Well, the one of January 4 was put in form, I mean was simply changed in order to make it in the form of a recommendation.

Q. It was put in to you by the Deputy Minister? A. No, the Assistant Deputy Minister, and I simply put it in the form of a recommendation to Council.

Q. You mean you simply added the formal words? A. Yes.

Q. But the language is theirs and not yours? Yes, all the data is the same.

Q. And the whole form of the Order is the same, except the formal part? A. Exactly, and it is the same with the one August 5, 1911, cancelling the contract with Kirby & Stewart.

Q. Was that the Deputy Minister or the Assistant Deputy Minister who handed that one to you? A. The Assistant Deputy Minister.

Q. Those are the two important ones, of later dates. Now, going back to the one of November 11, 1910, was that your personal preparation? A. Yes.

Q. Now, I want to draw your attention to what I think is a mis-statement in that. It says, speaking of the carrying on of concrete work. "This further work is not provided for in the contract," and the contract of 22nd July, 1909, is there referred to, and at page 6 of the amended specifications of that contract you find these words: "winter work—the concrete will be laid during freezing weather only under rigid instructions as to the precautions to prevent freezing, work will be stopped and resumed as directed, and material and plant will be kept heated." In face of that how could you say that winter work was not provided for in the contract? A. Well, I don't know how that occurred. But when I drafted that R.C. it was on material that was then before me, it was based on reports that were handed to me with instructions to prepare a R.C., and I must of got that in some of the reports. There must of been something from the Assistant Deputy Minister there because I could not invent it.

Q. In a case of that kind where a provision is to be made and an insertion is contained as to what the contract does or does not contain, would you get an opinion from the law office of the Department? A. No.

Q. You would not venture to make such an assertion without authority? A. In the preparations of these recommendations certain material is given to me, and I base the recommendation or report to Council on material in my hands at the time, on what is thought sufficient for the purpose. But I must say in connection with both of these R.C.'s., they were handed me with the files and the instructions to have the work carried out immediately, rushed. There was no time to prepare an elaborate

study of the matter and sometimes a report may not be as clear or as well prepared as it should be, and as it would be if I had had time.

Q. You will notice here in this particular Order the existence or not of a provision on that point is the keystone of the Order. It is the foundation upon which the whole Order is based. It is an assertion of the law on the case. Now, in such a case as that following the usual practice, would you look at the documents or require a general statement from some one? A. Yes, I would not take upon myself to interpret a legal form.

Q. Or even to go over a contract and say it did not provide for a thing of that kind? A. No, those statements are brought in. The reports themselves on which are based the report to Council are brought in—there should be documents there, a report from some of the officers which contains the matter embodied in the recommendation to Council. If you have a document there on which this was prepared—

Q. I find here on the 7th of November a letter from Mr. St. Laurent to the secretary upon which the R.C. was prepared? A. Then that would be the document.

Q. And he says this, and your R.C. appears to have adopted the very language. "The carrying on of the concrete work during the winter will necessitate the housing of the section of the dam to be built, and the installation of a heating system not provided for in that contract." Consequently you depend for that statement upon Mr. St. Laurent, the Assistant Deputy Minister? A. Yes.

Q. Mr. St. Laurent appears to have been moved to deal with this matter by a report which he had received from Mr. Coutlee dated 7th November, 1910. Mr. Coutlee was the Engineer in charge, and in this letter to Mr. St. Laurent there is nothing said expressly to the effect that the work was not provided for in the contract, although it is fair to say that he suggested that the Government should undertake to do the work at their own cost and charges, and in doing so he was proceeding upon the idea that it was not provided for in the contract. The peculiarity about this thing is that both Mr. Coutlee and Mr. St. Laurent have been unable to explain why they did not ask for the work to be done under the contract. Mr. Coutlee had prepared the specifications and Mr. St. Laurent had been in general charge of the whole scheme from the beginning, and yet when we draw their attention to the provision in the subsection and ask them why they say these things in the letter and the memorandum to Council, they are not able to give us a satisfactory answer.

*By Mr. Ducharme:*

Q. Have you any knowledge at the time of the Auditor General having interfered in this contract at any time? A. Yes, there has been quite a correspondence with the Auditor General, the correspondence I think is included in the file.

Q. Why was not the fact of the Auditor General's objection mentioned in these memoranda to Council? A. Well, it was not considered necessary, I suppose. The documents on which my recommendations were based did not cover any section of the Auditor General's.

Q. Do you remember considering and discussing with any one whether as a matter of fact the objections of the Auditor General ought to be mentioned in a memorandum to Council? A. No.

Q. And are you conscious now that you considered the matter at all at that time? A. No, it never entered my mind.

Q. That is your explanation then? A. Yes, it never entered my mind.

*By the Chairman:*

Q. You are aware that he had made an objection to the change from wood to concrete without asking for new tenders? A. Yes, I was aware of that.

Q. You were aware of that at the time? A. Yes, I was.

Q. And the fact that he raised that objection is not mentioned in any memorandum to the Minister? A. No, because it did not appear necessary. As a matter of fact it did not enter my mind.

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Q. The Minister had overridden the objection in any case? A. Yes, and the Council would have simply ratified that in any case.

Q. I wouldn't say that, because in saying that you are only guessing. However, it is a fact that the Minister had overridden the objection in any case? A. Yes.

Q. That was shown by the fact that you were ordered to prepare that memorandum to Council? A. Yes.

Q. And therefore you did not consider it necessary to mention the Auditor General's objections in the memorandum? A. It was not for my consideration.

*By Mr. Ducharme:*

Q. In these papers brought down to you to prepare the recommendation there was nothing of that kind mentioned? A. Nothing whatever.

Q. These are in writing or verbally? A. No, sir.

Witness retired.

OTTAWA, Thursday Morning, February 29, 1912.

## PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,  
*Commissioners.*

Examination of GEORGE HUGUET, Draughtsman of the Public Works Department.

*Examined by the Chairman.*

Q. Mr. Huguet, in 1908 you were engaged in the office of Mr. Perrault? A. Yes.

Q. Do you remember having got some figures of an estimate concerning the Lake Timiskaming dam? A. I think so, yes.

Q. I now show you a copy of an estimate covered by Mr. Perrault's letter of November 20, 1908, is that in your handwriting? A. Yes.

Q. You remember that at the time tenders were being asked for by the Department of Public Works for the building of that dam? A. Yes, sir.

Q. And the plans and specifications were in Mr. Perrault's office? A. Yes, I made the plans myself.

Q. You made the plans? A. Yes.

Q. Contractors were there from time to time inquiring about the plans and wishing to see them, I suppose? A. Well, I have seen two of them going in to see Mr. Perrault.

Q. Who were they? A. Mr. Kirby.

Q. Kirby & Stewart were one firm? A. Yes, it was Kirby & Stewart I suppose.

Q. And Mr. Rainboth, a contractor here? A. I think he was called, yes.

Q. Well, Mr. Huguet, what would they be able to see there? A. They were in Mr. Perrault's office and I was in a big room working at the plans.

Q. Now, you will find in these figures here which you have just said you copied, that one item is "Unwatering, \$4,000." A. Yes.

Q. By the way, do you remember making that copy, can you call to mind that estimate, of writing that copy? A. I remember when I made it.

Q. You remember when you made it? A. Yes.

Q. Would the original from which you made that copy be lying in your office for some time? A. No, Mr. Perrault had it and as soon as I was through I handed it back to him again.

Q. You handed it back to Mr. Perrault as soon as you were through? A. Yes.

Q. And he would have it in his office for some time, I suppose? A. Yes.

Q. Did you show these figures to any one, Mr. Huguet? A. No, I never did.

Q. Did anyone ask you to see them? A. Never, no sir.

Q. You don't know how any one ever got to know about that estimate for \$4,000?

A. No, I do not.

Q. However, you did see those contractors in there talking to Mr. Perrault? A. I saw Mr. Kirby and Mr. Stewart there just in Mr. Perrault's office, not in the office where I was working at the time.

Q. You handed it back to Mr. Perrault as soon as you were through? A. Yes.

Q. And he would have it in his office for some time?

*By Mr. Lake:*

Q. Was it customary for contractors to come in to get information before making tenders? A. Oh, no, he may have called two or three times, you know.

*By the Chairman:*

Q. They would have to call there to see the plans, I suppose? A. The plans were there in my office.

Q. The plans were in your office? A. Yes, but they did not come to see those plans.

Q. Didn't they ever see the plans? A. I don't think so.

Q. How would they be able to make up the quantities for the tenders? A. I don't know.

Q. The plans were in your office, you say? A. Yes.

Q. And you say neither one of those contractors ever saw the plans in your office? A. I don't remember.

Q. Could they see them when you were out, Mr. Huguet? A. No, the office was locked and I keep the key when I am out.

Q. You kept the plans in a safe? A. No, there is no safe there.

Q. Where were they? A. On the table.

Q. Could any one look over your shoulder at the plan on the table? A. No.

Q. What did you do with the plans at night? A. The plan I was working on lay on the table all night.

Q. Was there any other plan there? A. No.

Q. Did the Public Works Department have a copy of the plan there in the Department? A. Not while I was making the original.

Q. Right up to the time you copied those figures? A. Yes.

Q. So that any contractor who saw the plan would have to see it there? A. Yes.

Q. Well, Mr. Huguet, how could they put in tenders without seeing the plans? A. I don't know.

Q. Could Mr. Perrault show them the plans without your knowledge? A. Oh, yes, certainly.

Q. How could he do it if you were always there? A. As soon as I was through with those plans I used to hand them to Mr. Perrault.

Q. You would hand the plans to Mr. Perrault as soon as you were through with them? A. Yes.

Q. But, on November 20, you said you were not through with them? A. I didn't say that, did I?

Q. I understood you to say so when you made out that estimate the tenders were all put in on November 18 or 19? A. I could not remember exactly the date that I made those copies.

Q. You were aware that tenders were going to be put in? A. Yes.

Q. And you were getting the plans ready? A. Yes.



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Q. You can remember whether that was about the time the tenders were being put in can't you? A. In November.

Q. Yes? A. I don't know.

Q. Well, you don't remember at any time having any contractor come in to look at the plans? A. No.

Q. You never saw any one doing so? A. No, I don't remember.

Witness retired.

OTTAWA, Thursday Morning, February 29, 1912.

## PRESENT:

Honourable A. B. MORINE, K.C.,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

Examination of Mr. CHASSE, recalled.

*Examined by the Chairman:*

Q. Mr. Chasse, you went to get some papers a little while ago? A. Yes.

Q. Did you get them? A. Yes, that is the only paper I could find, Mr. Morine.

Q. The only paper that you have is a copy or draft of the agreement signed on October 5, 1911? A. Yes.

Q. And that draft bears upon the back of it the name of 'Chrysler, Bethune & Larmonth, Barristers, Ottawa,'? A. Yes.

Q. It was from their office it came? A. I don't know.

Q. How did it come to you? A. I would like to look at the file because I have noted this agreement, of course the number on the file—what is the number of that agreement on the back—yes, agreement filed under No. 8622.

Q. That is the only agreement that was made with them? A. Well, yes, that is it. It has been referred to me with the file, and I have noted that.

Q. Referring to a letter from the Deputy Minister of Justice to the Deputy Minister of Public Works, dated July 6, 1911, you see that these words on the margin of the letter "Agreement filed under No. 8622, J.A.C.," you see those words there? A. Yes.

Q. And you say that those words are a memorandum made by you? A. Yes.

Q. But what does the endorsement convey to you? A. The agreement was in that file and they asked me to have it executed, that is all, but I don't know how it comes there.

Q. Now, that document does not show that the agreement was on that file at all? A. No.

Q. What I want to know again is where you got that agreement from? A. Well, it was with the file, Mr. Morine, I don't remember. The file has been referred to me for execution of that agreement.

Q. You say it was with the file referred to you? A. Yes.

Q. Where would you get the file from? A. From our records.

Q. Who would tell you to go to the records and get that file? A. It was ordered from the records to my office.

Q. Some one must have asked you to do something, either in writing or verbally? A. I took that agreement and went to the Deputy Minister's room, Mr. Hunter's room.

Q. You mean that draft with the name of Chrysler & Company on the back? A. Yes, and he took it and read it and said all right, I will sign that.

Q. Still I want to know where you got it from, that is what I want to know—where did you get it from? A. It was in this file.

Q. You say: in this file, but where did you get the file from? A. From our records.

Q. Who told you to get it? A. No one, but the file has been sent to me, I don't know by whom.

Q. You say it has been sent to you—surely you would get instructions to do something? A. Every day I receive files.

Q. But you would be told to do something wouldn't you? They wouldn't simply send that file down to you and never give you any instructions. They must have written or told you they wanted you to do something with that file when you got it? A. The file came to my office and I took that file with this agreement, that draft there, and I went to the Deputy Minister and I said: shall I have to prepare a duplicate of this agreement, and he read it and said all right, I will sign that.

Q. Now, I want to know, when that file came to you, did you get a written order as to what you were to do? A. No, the file was referred to me and I didn't know what I had to do, I didn't see any instructions on the papers so I had to go and look for my instructions. I often receive papers that way and I don't know what I have to do so I go and inquire. I received the file of papers and this agreement was lying on the file, but was part of the file, the front page of it. Not knowing what I would do I went to the Deputy Minister and inquired.

Q. And he told you what? A. He told me to have an agreement made and that he would execute it.

Q. This document then, I understand, was lying loose on the file, it had never been attached to the file? A. No, it was on the file loose.

Q. Would these papers come into your office from the records branch or from the Deputy Minister? A. They were coming from—I think they were coming—I have no knowledge.

Q. You don't know where they came from? A. They came from the records.

Q. Are you sure? A. Well—

Q. Where did you find them? A. On my table.

Q. And you don't know where they came from? A. I suppose—

Q. You are on oath, and never mind supposing. Mr. St. Laurent might have left them in your office, as he had charge of this matter? A. I don't know.

Q. Well, just put it in so many words that you don't know where the papers came from to your office? A. No, I suppose—

Q. Don't suppose anything now. You just found them on your desk. A. Yes, sir.

Q. When you found them you had no instructions? A. I didn't know what I had to do, so I went up to the Deputy Minister.

Q. The Deputy Minister or to the Assistant Deputy Minister of Public Works? A. I went to the Deputy Minister.

Q. And he told you, to copy this agreement? A. That he was going to sign that agreement.

Q. He said it was all right? A. Yes, I don't know anything about that.

Q. Was your opinion asked about that agreement, Mr. Chasse? A. Not at all, sir.

Q. You were not consulted about it at all? A. No.

Q. Then you did not examine it to see whether it was right or wrong? A. No, I read it.

Q. But you didn't know anything about it— A. No, I hadn't been asked anything about that.

Q. Did you compare it with the Order in Council to see whether it carried out the words of the Order in Council? A. No.

Q. You did not compare it with the Order in Council? A. No, I don't remember, that I did.

## SESSIONAL PAPER No. 57

Q. I want to find out what you were ordered to do, for it is important for you whether you were asked by the Deputy Minister to examine that agreement and compare it with the Order in Council and to see whether the agreement was right or not? A. I don't remember that.

Q. Were you told simply to make a copy of it and bring it up to be signed? A. Yes, I handed the document, the draft, to the Deputy Minister, and he examined it and I asked him if I had to prepare this agreement, and he said yes, to have it prepared in duplicate for execution.

*By Mr. Ducharme:*

Q. When you prepared that contract with Messrs. Kirby & Stewart, were you made aware that the Auditor General had objected to this contract being given out until new tenders were asked for? A. No, sir.

Q. You were not aware of that? A. No, sir.

Q. You never saw a document to that effect? A. No, sir.

Q. When you receive instructions to prepare any contract of any kind, who raises the legal points that might arise? A. Well, when I received instructions to prepare a contract I take the tenders, the Order in Council, and I prepare my contract when it is a formal contract, when we are using the usual forms, and when it is a special agreement, not using those printed forms, I prepare my draft and submit it to the Deputy Minister.

Q. Therefore, anything you do is submitted to the Deputy Minister? A. Certainly.

Q. And if there should be any legal question arise it is for him to find that? A. Certainly, he asks me sometimes my legal opinion and I give it to him and he refers matters to the Department of Justice.

Q. When you give any advice of that kind is it always followed? A. Oh, yes.

Q. As a general rule? A. Yes.

Q. Do they not override that sometimes? A. Well, generally I give a very good opinion.

Q. But sometimes don't they go above your opinion? A. Sometimes my opinion has been put aside.

Q. Was it in this case of the Timiskaming Dam? A. Oh, no.

Q. Now, you have this contract here dated the 22nd of July, 1909? A. Yes.

Q. What do these words on the back mean? A. The words on the back, the endorsement, does not mean anything.

*By the Chairman:*

Q. I was asking you about this draft contract of Mr. Chrysler, whether you did anything more than just copy it, or not? A. Oh, nothing more than copying it.

Q. And you were not asked to do anything more than copy it? A. No.

Q. The reason I asked you is this: the punctuation in the contract is different from the punctuation in the Order in Council. You understand what I mean by that? A. Yes.

Q. And it may be that in one particular the change is important. Now if that draft contract were given to you by the Deputy Minister with a request that you should examine it to see whether it was right, and according to the Order in Council, you would be responsible for the punctuation? A. Yes, but I am not responsible for the punctuation, because I have not been asked to compare the conditions contained in this agreement with the conditions embodied in the Order in Council.

Q. You say you were simply told to copy the agreement and get it ready to be signed? A. Yes, sir.

*By Mr. Lake:*

Q. Mr. Chasse, you said that at the time you drew up this contract you had the file of papers before you. I am speaking of the original contract of the 22nd of July,

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1909. I understood you to say that you had the files before you at that time? A. Well, for the preparation of this contract I had the tenders, all the tenders in my office, and I had the Order in Council.

Q. Then, you had not the files of correspondence in connection with this particular contract? A. Well, I may have had the files then, and some other papers.

Q. But you don't remember anything in particular. A. Well, no, what I specially need in the preparation of the contract is the tender and the Order in Council. Those are the two instruments that I need.

*By the Chairman:*

Q. It is the Order in Council that governs you in drawing a contract? A. Yes, the tenders and the Order in Council and the specifications.

The witness retired.

OTTAWA, Thursday Morning, February 29, 1912

PRESENT:

Honourable A. B. MORINE, K.C.,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

Examination of Mr. PERRAULT (Continued):—

*By The Chairman:*

Q. Mr. Huguet says that to the best of his memory no one ever saw the plans of the dam in the outer office where he was? Now did you ever show the plans to any of the contractors in your inner office? A. I guess all the contractors who were tenderers saw the plans in the office.

Q. Now, in that inner office, where you were? A. Not in the inner office, but where Mr. Huguet was.

Q. Mr. Huguet then is mistaken, if he says that no contractors saw them there? A. Yes, because the plans were on exhibition there.

Q. Where did you keep your figures? A. In my office.

Q. In your inside office? A. Yes.

*By Mr. Ducharme:*

Q. Is there not a letter here, a report from Mr. Coutlee, dated the 17th of June, 1909, that the dam built at the present location will amount to \$186,361.22 which letter is signed by Mr. Coutlee and Mr. Matheson? A. Yes.

Q. Now, you see in the Order in Council and the memorandum of January 4th, 1911, that it is mentioned that the cost of the dam now revised would be \$176,840.00? A. Yes.

Q. Now, was there such a calculation made in the Department from June, 1909, to January 1911? A. I had nothing at all to do with it, if there has been. I have no knowledge of it.

Q. You have no knowledge of this estimate? A. No, I have no knowledge of those estimates of Mr. Coutlee or Matheson or of the Order in Council.

Q. Well, would the estimate of any contract to be submitted to the Council be made up in any other office than yours? A. As I previously told you, at my first appearance here, I had been relieved, and I had nothing to do with the concrete dam. And after the change was made from the wooden to the concrete dam I had nothing more to do with the matter one way or the other.

Witness retired.

The Commission adjourned until 3 P.M.

SESSIONAL PAPER No. 57

OTTAWA, Thursday Afternoon, February 29, 1912.

PRESENT:

Honourable A. B. MORINÉ, K.C.,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

Examination of EUGÈNE D. LAFLEUR, Chief Engineer of the Public Works Department.

*Examined by the Chairman:*

Q. Your position is that of Chief Engineer? A. Yes.

Q. How many years have you held that position? A. I have been acting Chief Engineer since 1898, and I have been officially Chief Engineer since 1905.

Q. And before 1898 you have been in the employ of the government? A. Yes.

Q. For a number of years, I suppose? A. Going on thirty-one years.

Q. Do you remember the Timiskaming matter? A. I do.

Q. In the first place a wooden dam was proposed? A. Yes, that was the first contract that was let.

Q. And the survey plans and so forth, in the first place, were under the direction of Mr. Brophy, were they not? A. Yes, that is to make the contract plans and specifications. That was under the direction of Mr. Brophy, but I think the original survey was made by the Georgian Bay Canal survey.

Q. Now what position did Mr. Brophy occupy at that time? A. Superintendent of the Ottawa River Service.

Q. And in that capacity he would be an outside man from your Department answerable to you, I presume? A. Under my orders.

Q. What I mean by an outside man is that he did not have a desk in the public building, did he? A. No.

Q. As a matter of fact, the plans for the wooden dam had been made by Mr. Perrault, it appears? A. Yes.

Q. Who was under Mr. Brophy at the time? A. Yes, at the time.

Q. And was your connection with the wooden dam and the concrete dam much more than nominal, Mr. Lafleur? A. It was, that is, I discussed the matters as they came up with the Assistant Deputy Minister and Engineer in charge, Mr. Coutlee, but apart from that, I did not have what you could call the ordinary superintendence that I would have had for other work.

Q. Of course, Mr. St. Laurent being himself an engineer, and Mr. Coutlee being the Engineer in charge, I presume you did not take a very real oversight of the work? A. No, I cannot say that I have.

Q. I find that in November, 1908, or possibly at the end of October, 1908, tenders were invited by public advertisement and the advertisement fixed eight thousand dollars as a deposit, that being ten per cent upon an estimate that the work would cost \$80,000. I am telling you this to remind you of this, that Mr. Perrault says he made that estimate in a verbal way to you, and later, during the month of November, he prepared the details of his estimate? A. Without seeing the correspondence, I could not say exactly whether that is the case or not.

Q. You cannot recall that exactly? A. No, sir.

Q. Can you recall whether at any time you went through the details of his estimate to see whether you agreed with it or not? A. No, if anybody went through that estimate it must have been either Mr. Coutlee or Mr. St. Laurent.

Q. Mr. Coutlee did not, because when he came in it was changed to concrete, and there was no need of going through the estimate for the wooden dam. Then you

remember that when it was decided to change to concrete new plans and specifications were ordered? A. Yes.

Q. And Mr. Coutlee was put in charge of the work and made the plans and specifications? A. Yes.

Q. And when it was to be recommended to Council that the change should be made from wood to concrete, Council was informed that the change would bring Kirby & Stewart's tender up to \$108,000 and some odd dollars. That estimate was based merely upon the supposition that the concrete would take the place of the wooden dam without any change of location, and it was a mere matter of measuring up the quantities and applying the tender rate for concrete to it. Mr. Perrault has said he made up the quantities and he came to that conclusion by means of that calculation. Do you remember having had anything to do with the calculations? A. None that I can remember.

Q. The reason I asked you is this. In the original estimate for the wooden dam, prepared by Mr. Perrault, he included \$4,000 for unwatering? A. I remember that figure.

Q. And later when the figures for the concrete dam were estimated in the way I have just mentioned, they still contained \$4,000 for unwatering. Now, I have asked Mr. Perrault to-day and Mr. St. Laurent yesterday if anybody considered and discussed what would be necessary in the way of unwatering? A. At the time contract was let I do not think I discussed the matter at all. But, since then, in discussions with Mr. St. Laurent and Mr. Coutlee, I thought the amount was very small indeed for such an expensive work.

Q. What I want to get at is this, whether you could, from your knowledge of the matter, say whether in connection with the wooden dam or later with the concrete dam, before the contract was eventually signed, the question of what would be necessary in the way of unwatering, and the probable cost of the same was ever discussed? A. No, not at the time, and I may say so far as practical engineering is concerned, it is at times very difficult to tell beforehand what would be the exact cost of unwatering. It depends upon circumstances and the nature of the bottom, and so on.

Q. Of course, we would not expect the estimate to be anything more than approximate, but here was a case where a concrete dam was to be built, divided into two parts, across two channels, and one of them a deep and rapidly rushing bit of water on a rapid. Concrete work, of course, in order to be laid, must be dry when it is laid? A. For that class of work, yes.

Q. Then that would naturally give rise to the question to say to oneself: 'In what way will the underwatering be done in this work?' A. Naturally.

Q. And in order to inform the Government of what the cost might be, I should think there ought to be some considered estimate of the approximate amount which such unwatering would cost? A. As I said before I do not think I had anything to do with that question at the time.

Q. That was the reason I asked you at the beginning whether your connection was more than nominal, because from all the evidence we have had it appears to us that Mr. St. Laurent, the Acting Deputy Minister of Public Works, and Mr. Coutlee the Engineer in charge took the care and responsibility of the work upon themselves? A. More or less, yes, that is only consulting me some few times as to what had really happened at the time.

Q. And your connection with the matter therefore was nominal except that you happened to be invited to express an opinion about the matter on a few occasions? A. That is it.

Q. The extraordinary feature of it, and which leads us to ask you about it is this: in the tenders for the wooden dam the figures given by four of the tenderers for unwatering were in the first place \$4,000; in the second place \$15,000; and in the third place \$20,000; and in the fourth place \$54,000? A. That last estimate turned out to be closer to it in the long run.

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Q. That showed an extraordinary diversity of opinion as to what it would cost?  
A. Yes.

Q. And naturally gives rise to this thought that if the lowest tenderers are only counting on \$4,000 for unwatering, there is danger that their tender will be so inadequate that they cannot eventually carry out the work? A. I suppose you know the rule of most of the Departments in connection with such work that the lowest tenderer is always accepted.

Q. Now, with all your experience, do you consider that rule a safe rule, Mr. Lafleur? A. It is just this way. I have questioned that rule a number of times, and still there is one feature of it that I consider fair and just as far as the engineers are concerned. If on the recommendation of the Chief Engineer any other tender that there might be collusion between the contractors and the Chief Engineer. that there might be collusion between the contractors and the Chief Engineer.

Q. That is having regard to what might be said, but having regard to the work itself do you consider that a safe rule? A. It is a bad rule.

Q. Now, take in the first place, the experience and general ability of contractors ought to be considered in relation to giving out important contracts, shouldn't they?  
A. Certainly.

Q. In this particular case, Kirby & Stewart formed a partnership for the express and only purpose of constructing this dam? A. So far as I know personally, I think that is true.

Q. Yes, and Mr. Kirby has said that. And as far as you know they had had no contracts dealing with what you call hydraulic works? A. No.

Q. And that is a class of work that requires peculiar experience, does it not?  
A. Yes.

Q. One would say that experience ought to be particularly important in relation to the question of coffer damming and unwatering and work of that sort? A. More especially that than anything else.

Q. Under circumstances such as surround this dam? A. Yes.

Q. Then a contract is awarded and there is a deposit of eight thousand dollars as a security, a mere bagatelle compared with the eventual cost of that very work of coffer damming, and they start out on the work? A. Yes.

Q. Now, in such a case as that, should not the engineers' considered estimate of what that work would cost be at hand? And be considered when the tenders are being opened? A. It is generally the rule, that is the rule that I adopt that my estimate is always put into the hands of the Department before the tenders are received.

Q. Precisely? A. That is a couple days before the tenders are received they are notified by the Secretary of the Department that tenders will be received on such a date for such a work and to let him have my estimate.

Q. In this particular case we find that Mr. Perrault put into his estimate \$4,000 as the cost of unwatering, and, strangely enough, Kirby & Stewart put exactly \$4,000 in their tender. Kirby & Stewart were unacquainted with the locality in any exact way, and it naturally raises the question of whether they knew of Mr. Perrault's expectation as to what it would cost and so fixed their figure at precisely the same amount, but in any case Mr. Lumsden, one of the tenderers, and the only one who knew the river at all well, because he was a lumberman carrying on business right there, says that from the very outset it was self-evident that the unwatering of the Quebec side was going to be a work of difficulty and great expense, and he estimated the cost at not less than \$55,000. It seems extraordinary to us that the estimates of such a work as that could have been left to a man of Mr. Perrault's character without any criticism apparently? A. As to that I cannot take the responsibility because as I told you, I was not acquainted at the time with those figures. I became acquainted with them later on.

Q. Then, when the change was made from wood to concrete, very many questions as to coffer damming would be raised by that change, wouldn't it? A. Certainly.

Q. Because to construct a concrete dam you could not commence to do it in the free and easy way you could a wooden dam? A. No.

Q. You could not build piers and send them out and sink them? A. No.

Q. It necessarily involved some form of coffer damming around every pier or across the whole stream while the construction work was going on, didn't it? A. Yes.

Q. Did it occur to you as strange that in the estimates for constructing a concrete dam, the estimate of the cost of unwatering was never changed from \$4,000.

A. Of course, as to that, I do not consider it was in my province to say whether it is or not, but my own experience would show that in building a concrete work it would necessarily entail more coffer damming than cribwork.

Q. Well did you ever personally consider that question in relation to the concrete dam when the estimates were presented? A. Not when the estimates were presented.

Q. You did not when the estimates were presented? A. No, afterwards I did discuss the question with Mr. St. Laurent.

Q. Later on, when some trouble arose? A. Yes, when the trouble arose.

Q. Now, speaking generally, and appealing to your experience in the matter, we have been very much impressed as commissioners with the thought that the initiation of works is undertaken without sufficient examination and careful consideration under the present lack of system? A. Well, I cannot say that as a general rule. There may be some cases, but I think from my experience in the Department that they are the exception far more than the rule.

Q. Well now, take this case. A work is proposed and is reported upon by the District Engineer, and he makes his plans and sends them up to your Department. You never visit the works? A. Very seldom do I visit the work.

Q. The performance of your duties in Ottawa would not permit you to visit the works in the districts? A. No, unless on very special occasions.

Q. After the plans are received and before the work is embarked upon, is there any practice of having that work inspected by your Department?

WITNESS: The plans you mean?

Q. Yes? All contract plans coming into my office are first referred to me and then to draughtsmen to see if the plans and specifications coincide, then, as to the estimates, if there is anything that appears not to be correct, my attention is called to it.

Q. What I want to get at particularly is this: is it examined by any one excepting the District Engineer? A. No, the District Engineer examines the site.

Q. And reports? A. Yes.

Q. And decides the location of the work? A. Well yes, but as a general rule the site is pretty well determined beforehand.

Q. Take this particular case of this Timiskaming dam, the site was for a wooden dam to be placed at the head of the island? A. Yes.

Q. The ultimate location decided upon took the Ontario side of the dam almost to the foot of the island, involving a very much greater amount of excavation than had been intended, and the site on the Quebec side was moved down the stream some distance, making the work take place in the rapid water, the water of the rapids, instead of in the comparatively still water at the head of the rapids. That involved very serious questions of construction and of use hereafter in the matter of booming logs through, and so forth. Apparently that was entirely done by Mr. Coutlee, the Engineer in charge? A. The change in site would not interfere with the running of logs after the dam would be built.



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Q. It does? A. It would be still water up above.

Q. Only when the stoplogs are in. As soon as they are out you have the rapids?  
A. In the fall of the year.

Q. Here it is, whenever the logs are being boomed through, they are on a rapid, and the result is they are moved through at a rapid pace and they have now to make a special arrangement for steering the logs through? A. That is generally the case. You have to put slide booms.

Q. Not in still water? A. Not if it was an overflow dam, no, but in this case where it is a stoplog dam naturally you would expect that.

Q. Not nearly to the same extent? A. The back water is just the same.

Q. Mr. Lumsden, who is an experienced dam builder, in connection with the lumber business, says that the work is going to be very much more serious, and he expects great trouble, and he is one of the lumbermen who will use that place. In any case, my point is this: there you have a radical change of location and questions arising, no matter how you dispose of them. That was decided on the spot by Mr. Coutlee and you could not supervise it from Ottawa? A. I could not.

Q. Don't you think there should be an arrangement by which there could be some capable inspection from your office? A. I have been agitating that for a number of years.

Q. Is there not need in connection with the engineering work in your office of some board or committee or call it what you like that shall come in between the District Engineer and the adoption of works? A. As I say, I have been agitating that for a number of years, that for the serious works, not the ordinary run of works, but for the works of any magnitude or which would present any great difficulties, that the matter should be referred to two or three engineers of the Department, to consult together and see what should then be done under the circumstances.

Q. Have you prepared any memos. on that subject in writing? A. No, verbally.

Q. You have mentioned it verbally? A. Yes, verbally only.

*By Mr. Lake:*

Q. That is the Engineers actually in the Department, was that your idea, you mean that they should act together as a board? A. Yes, because I consider that outside engineers are well, as a rule, not qualified for harbour and river works.

*By the Chairman:*

Q. Have you a sufficient staff of inspectors in connection with your Department?  
A. We have an inspector on every work, and if the work is composite, that is concrete and cribwork, one for each kind of work.

Q. These are casual men employed from time to time? A. Yes.

Q. What I meant was some more men of your permanent staff, of high reputation and good experience that you could keep constantly employed in watching over the works and the progress of the works? A. We have a few of that nature.

Q. Have you enough? A. Well, it is hard to say.

Q. The works are increasing all the time, aren't they? A. Oh, yes, the engineer in charge is supposed to keep a very close watch over the work.

Q. Who keeps a watch over him? A. The Chief Engineer is supposed to do so.

Q. But the District Engineer is in British Columbia, perhaps, and the Chief Engineer is in Ottawa? A. Yes, but at the same time that has been the way works have been carried on in the Department for a number of years.

Q. Yes, but the result has not been altogether satisfactory? A. Only in a very few cases was it unsatisfactory.

Q. Now, I want to depart from this question of harbour and river works, with which I have had some connection in the Maritime Provinces. I want to ask you about the material of which harbour and river works were made. I was very much

struck three years ago in an election campaign I had in Nova Scotia with the tremendous amount of partially destroyed wooden breakwaters and works of that kind that had been built in past years and were falling down. Worms were at work in the salt water, eating out the wood, and it raised this question in my mind, whether a work that is important enough to spend money on, in any large way, particularly in salt water, whether they should not be built of enduring materials? A. Well, wherever the worms are prevalent, we generally use creosoted timber.

Q. Is creosoted timber proving itself to be absolutely worm-proof? A. Well, from what returns and information I have had from British engineers in the Maritime Provinces, if it is not absolutely so, it is practically so.

Q. Now, take another case, wooden works of course are often put down where they are very much exposed to the sea? A. Yes.

Q. And despite the fact that they are heavily ballasted they are torn away after a while, and as soon as they are torn away they are exposed to be broken up, and I have seen cases in which the ballast has been practically made a ledge of, by such works being partially swept away by the sea. I was very much impressed with the idea that where a work is important enough to undertake and spend money on it would be economy to build a concrete work from the beginning? A. That is practically and absolutely a question of policy.

Q. I know it is a question of policy but I presume you will admit at once that in an expensive public work in the long run it is economy to use concrete and not wood? A. Yes, in a very expensive piece of work it is. And the fact is, that the most expensive works now are being built of concrete.

Q. In that matter of policy you speak of, you have on the one hand the desire of the Government not to spend too much money, which leads you to take wood, because it is cheaper, that is the chief reason of it, isn't it? A. You are putting me now in place of one of my Ministers.

Q. Well, from an engineering standpoint you would use concrete in every case, if it were not for the fact that wood is cheaper wouldn't you? A. Yes.

Q. If wood and concrete cost precisely the same you would always take concrete? A. Yes, that is not wholly concrete perhaps, but use concrete at any rate.

Q. Don't you think that when work is to be started, your committee, or board, or whatever you would call it, should consider that very question as to whether it is desirable to build of concrete in that particular place or of wood? A. That would be again a question not for us to discuss.

Q. In some of the features it would be for you to discuss? A. As far as the technical question is concerned.

Q. The question as to whether, owing to the exposed nature of the work, for instance, it would be possible to hold wood there? A. For any large work it is always questionable whether a work should be built of timber or concrete.

Q. And also it depends on the extent to which it would be exposed to the sea? A. Yes.

Q. As Chief Engineer, you have dredging under your supervision, but it is immediately taken care of by the Assistant Chief Engineer, I understand? A. Yes, by the Assistant Chief Engineer.

Q. Then you have harbour and river works, which means generally breakwaters and walls? A. Yes, and dams.

Q. In rivers? A. Yes, and slides and booms.

Q. Also in rivers? A. Yes.

Q. Then what other works, generally, are under your control? A. Well, I think the enumeration just given covers about the whole class of work.

Q. Have you anything to do with telegraph lines? A. No.

Q. Public roads to telegraph lines? A. No, I have not as Chief Engineer. The Superintendent of Telegraphs has that.

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Q. As Chief Engineer you practically just cover harbour and river works? A. Yes, harbour and river works.

Q. And in the control of all these except dredgings, is the immediate care yours? A. I beg pardon.

Q. Except dredging, is the immediate care of the other works your own? A. I am responsible for them all.

Q. You have no assistant who is helping you in those? A. No, practically not. Sometimes I do refer a certain work to Mr. Dufresne, just for co-operation in the decision of what should be done.

Q. You have an official in your office who helps you to some extent? A. Yes.

Q. What is his name? A. Mr. Valiquette.

Q. What is his official position? A. His official position would be what I would term Supervising Engineer, although he has not that official title.

Q. What are the duties that he performs? A. He has charge of special works, for instance, the harbour at St. John, that is Courtenay Bay, and apart from that while I am away from the office he does the best he can in my absence, referring to me the most important questions or those that require my personal attention.

Q. He is a sort of Assistant Chief Engineer without the title? A. Yes

Q. And, occasionally, he is out of the city? A. Yes.

Q. He may be away a great deal of the time? A. He is away considerable.

Q. What happens when you happen to be away from the office and he happens to be away at the same time? A. Well generally, the case has to wait for either the one or the other to come back.

Q. Your health has been unfortunately not very good for the last few years I understand? A. No.

Q. You feel that you are getting better? A. Oh, yes, my doctor tells me he will make a new man of me, which I sincerely hope he will.

Q. It must be very trying for you to be at home and work brought to you? A. I make, as we say in French, more bad blood remaining here than the illness itself.

Witness retired.

The Commission adjourned.

OTTAWA, Friday, March 1, 1912.

## PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,  
*Commissioners.*

Examination of ARTHUR ST. LAURENT, Assistant Deputy Minister of Public Works (Recalled):

*By the Chairman:*

Q. I understand, Mr. St. Laurent, that you wish to offer an explanation concerning the housing and heating the concrete work in the winter? A. Yes, sir.

Q. Well what is it? A. Well, will I read the clause first?

Q. Yes, you refer to clause 6 of the amended specifications of the contract of the 22nd of July, 1909? A. The clause reads as follows:—

“Concrete will be laid during freezing weather only under written instructions as to the precautions to prevent freezing. Work will be stopped and resumed as directed, and the material and plant will be kept heated, and a mixture of salt will be added to the concrete.”

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This, Mr. Chairman, refers to the heating of material and mixing plant only. The practice is, since engineers started to allow concrete to be laid in the winter time, there have been various practices allowed. First, the heating of material to be used in the concrete, which means sand, stone, and water. These are heated and put in the mixing plant and thoroughly mixed, and then dumped into a little car and carried to the works. The idea of this heating the material is to give a chance to the concrete to have a more rapid initial set, because during freezing weather fresh concrete will not start to set. The addition of salt that is mentioned here has the effect also to delay the freezing of the concrete so that the concrete will take an initial set before it has a chance to freeze. It gives a chance to that. Now, for important works there is a more ideal method than this to obtain the best results possible with concrete. With this method you run the risk of having an inferior concrete. The concrete is weakened in a way by the addition of salt and by freezing. So we do not obtain always the best results under this method. Another method is, in addition to the heating of these materials, which are brought to the structure, to house in the structure itself and have a heating plant installed in that shed or whatever it may be, covering the structure, so to keep the temperature always above the freezing point. That is an ideal method, and in that way we are sure of the best results, we are sure that frost has not attacked the concrete in any way, because the temperature is always above the freezing point. We would not think, of course, in calling for the concrete work, under ordinary conditions, not to specify this method, if it was wanted, because it would be unfair to the contractors to oblige them to build a shed for the structure and install a heating plant for this purpose, without the thing having been specified, but the other method is the common practice. The contractors never refuse when they are told to heat their materials during freezing weather, they never refuse to do it under their tender price, because it is admitted in practice now.

But the other method which is much more expensive has been specified specifically, as they have to charge more. That is why the Order in Council was passed, to have the best results possible. The matter was brought to my attention, and, personally, as an engineer for important works in a dam like that, the best methods should be followed to obtain the best concrete possible. Concrete that has been weakened when exposed to frost, and perhaps you don't know it, but the repetition of thawing and freezing always weakens the concrete more and more. I mean the more it thaws out and freezes. For instance, if we have a winter where several thaws occur and then it freezes again, the more this occurs the more concrete gets weakened.

Mr. LAKE.—Yes, I thoroughly understand that.

*By the Chairman:*

Q. You house and heat the structure as you are building it, you don't have to heat the material as it is used? A. Oh, yes, it is better to heat the material, because the installation is always outside the shed of the structure, the mixing plant and all that kind of thing.

Q. What I mean is this, if you house and heat the structure, as you did in the arrangement under the Order in Council, do you also heat the materials at the same time? A. Well, I would.

Q. I don't ask you whether you would, but did these men do it in this case? A. Oh, as to that, I don't know.

Q. You don't know whether they continued to heat the material and plant as provided in the specification where they were doing the work that was housed and heated? A. No, I don't know whether they continued or not.

Q. These two methods, I understand one is a method provided for in the specifications? A. Yes.

Q. And the other is the method of housing and heating the structure? A. Yes.

Q. Which latter you prefer for larger works? A. Well, in combination with the other.

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Q. That is what I want to know, was it done in combination, or was it not? A. That would be my practice.

Q. I don't want your practice, I want to know what was done in this particular work, and if you don't know, say you don't know, and we will try to get it from someone else? A. Well, I don't know, but I simply want to explain—

Q. (Interrupting) You have explained the method and we understood it all right, but now I want to know about this particular plant. The specification says that the material and plant will be kept heated? A. Yes.

Q. Well, now, to heat the material is what you say this means, that is to heat it at once and carry it to the place where it is to be mixed? A. Yes, to heat it pretty close to the mixing plant.

Q. And it is carried and thrown into the mixture? A. Yes.

Q. And by the other method of housing, that material would be kept heated until it is set or at any rate it would be kept from frost until it is set? A. Not the material itself, but the concrete.

Q. That is the mixture, the material? A. The mixture of the different ingredients. They are mixed in the mixing plant and they are brought under the shed and put in the concrete and that is the concrete. We want to obtain the best results to keep it hot for a certain time.

Q. I understand that, and now I ask you as a matter of fact whether in this contract, when the housing and the heating has taken place under the Order in Council whether they still continued to heat the material and the concrete, or whether they simply went on under the Order in Council? A. Well, the Order in Council was passed, but if you will remember there was practically no concrete made, and no effect practically was given to that.

Q. No effect practically was given to that? A. No.

Q. And consequently you are not able to say whether the materials and plant would have been kept heated under this clause and also housed and heated, you don't know? A. No, I don't know what the action of the engineer would have been.

Q. Why was not a provision for the housing and heating put into the contract in case it might be necessary? A. Well, I cannot answer you that, sir, only by stating my opinion, if you wish for my opinion.

Q. Will you simply say you don't know, because you didn't draw out the specifications? A. Exactly.

Q. When the specification was drawn out, it was done by the Engineer in Charge, Mr. Coutlee? A. Yes.

Q. And who would revise the specification, anybody? A. The Engineer, the Chief Engineer would have the power to revise it.

Q. But as a matter of fact, now the Chief Engineer was more or less absent, and we know that in fact his attention to this was more nominal than real. Did anyone revise that specification which Mr. Coutlee made out? A. Mr. Coutlee was in charge, there was no necessity for revising it.

Q. That is, you mean to say according to the practice of the Department, if an Engineer in charge makes a specification, it is not revised by anyone? A. It is well, compared with the plan, as it is now.

Q. But is the specification revised? You know what I mean by the word "revised." Is it gone over and considered? Is that the practice of your Department? A. In some cases, when something special is noticed by the Chief Engineer.

Q. Now, as Assistant Deputy Minister of Public Works, I ask you whether Coutlee's specification, as made up, was revised by anybody. That includes checking the construction and everything else? A. I don't think so.

Q. Well, now, your Department was starting on an important public work, the construction of a dam across that river, a dam of concrete across that river? A. Yes.

Q. And it might be that it might become necessary that some of the work would have to be done in the winter? A. Yes.

Q. You contemplated that at the time, didn't you? A. Not myself particularly, because I did not remark any of the details.

Q. You were Assistant Deputy Minister who had the real charge of that work? A. No, sir, I could not begin to attempt reading specifications or other things. We trusted our engineers and I had to take what they gave us.

Q. I want to get down to the facts, because that is one of the things we have not been able to find here, outside of Mr. Coutlee, who in the Department paid any real attention to the plans and specifications and the contract in this case? A. So far as I am concerned, I accepted the plans and specifications as I found them. I cannot answer you otherwise.

Q. Yes, you can, I ask you who in your Department paid any real exact attention, outside of Mr. Coutlee, to either the plans, specification or contract for this concrete dam? Whose was the real responsibility in the matter? A. I cannot answer you that. It is a change of responsibility.

Q. Well let us begin then; the Deputy Minister not being an engineer, in fact did not exercise any real authority over this matter? A. No, sir.

Q. In the next place, you being the Assistant Deputy Minister, and the one to whom the general charge of it was turned over by the Deputy Minister to look out for, you did not exercise any real discretion and caution in considering the matter? A. I exercised all the caution, sir, that I could, in connection with this matter.

Q. Yes, you say you exercised all the caution you could. But did you rely, from time to time, on what Mr. Coutlee did? A. I relied entirely on what he did.

Q. And then the Chief Engineer, outside of his nominal responsibility as Chief Engineer, did not exercise any real controlling insight over this whole matter, did he? A. I couldn't say, sir.

Q. But you do know whether he did or not? A. No, matters were turned out to me.

Q. By the Deputy Minister? A. Not always.

Q. Let me find out this, if you cannot answer I will try and get it by a process of elimination. Did you consult with the Chief Engineer continuously about the progress of this work? A. When he was there, yes.

Q. Did you consult him continuously about the matter? A. No, I could not consult with him continuously.

Q. What I am trying to get at is this: we know that the Chief Engineer was away from his office, we know he left the practical work in the hands of Mr. Coutlee, we know that Mr. Coutlee consulted you from time to time, and you are an engineer? A. Yes.

Q. And we know, therefore, that the Chief Engineer did not take any real interest in this matter? A. No, he couldn't.

Q. Now, let us get at the true facts. Now, I come down to this. Whose duty was it to consider under the circumstances whether this work would go on during the winter and whether it should be provided for during the winter? A. The Engineer preparing the specification.

Q. It was the duty of the Engineer preparing the specification? A. Yes.

Q. You say the winter work in the construction of that dam was not provided for in the specification? A. I say it is, as far as the common practice is concerned.

Q. Then, I will change the question in this way, it was not provided for according to the better practice? A. Yes, it was not provided for according to the better practice, if the Engineer wanted to proceed continuously with the work during the winter.

Q. During the winter? A. Yes, during the cold weather.

Q. Then, is this provision in the specification one under which the winter work might have gone on? A. It might sir, yes.

Q. And the other way was only a choice, as it were? A. Well, a preferable way.

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Q. For which no provision had been made in the specification? A. That is what I say, sir.

Q. That was an omission then? A. No, I cannot say it was an omission. Some engineers will be satisfied and hold opinions that the addition of salt to the heating of the material is sufficient, but some others will not.

Q. Was winter work done during the winter of 1910, on the Ontario side? A. Yes.

Q. All winter? A. Yes, all winter. Well, I couldn't say if the concrete was laid during the coldest weather.

Q. The month of February is usually the coldest? A. Yes, sometimes there are thaws, a few days quite mild weather on which they lay concrete.

Q. I will show you the report? A. Oh, yes, I know it was laid.

Q. Now, on the 22nd of February, 1910, reporting on the work which was being done on the Ontario side of the dam, Mr. Coutlee says to the Chief Engineer:

"I have the honour to report regarding the progress of the work on the Timiskaming dam; the work was begun on the 12th of February and continued all last week. The gravel and sand are stored in a bin and heated by steam pipes. The water is also heated after laying (in concrete) and movable steam radiators are set in place and the mass covered by tarpaulins, so that all night the temperature is kept above freezing. Self-registering thermometers are regularly read."

Now, you will see there that Mr. Coutlee is describing what took place in 1910, under the specification as it was, and he shows there that they did not merely heat the material before it was mixed, but that all along steam radiators were set in place and the mass covered by tarpaulins? A. Yes.

Q. That is more than the specification called for according to your interpretation? A. Yes, it is a little more.

Q. A good deal more, isn't it? A. That is a precaution, a further precaution, to cover by tarpaulins.

Q. The contractors paid for that work that was done in 1910? A. Yes.

Q. They got no extra allowance for it? A. No, not for that.

Q. And the concrete next spring was found to be good? A. Yes, it was found to be good.

Q. There was a very little quantity indeed that was found in the spring not to be quite good? A. Well, I don't remember.

Q. So the specification did provide for that work as it was done on the Ontario side in the winter of 1910? A. Yes, but there is a fine point, Mr. Chairman, about this. Concrete may be good, but it may be better too, and in some cases when the water has been passed over concrete, it carries with it sand and particles of gravel, which gradually attack the concrete, and of course the harder you can make the concrete the better.

Q. I quite understand that the point you want to make is that the housing and heating, as provided for in the Order in Council for the winter of 1911 would have been a better way? A. Well, I would have more confidence in that concrete.

Q. Yes, but by doing it under the Order in Council and being paid for it altogether the contractors were getting clear of the necessity of laying radiators and covering the mass with tarpaulins as set out in the letter of Mr. Coutlee, as they had done in the winter of 1910? A. They were getting rid of that, some of it, yes.

Q. They were getting rid of some of it? A. Yes, not probably the heating of materials outside.

Q. No, but they were getting clear of laying a movable steam radiator and having the mass covered with tarpaulins? A. The mass of concrete?

Q. Yes, in other words, they were getting rid of doing anything after the materials were laid? A. Yes.

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Q. Now, in the Order in Council providing for the heating, it is stated emphatically that the carrying on of concrete work during the winter will necessitate the housing of the sections to be built and the installation of a heating system? A. Yes.

Q. Now, that is not correct, it did not necessitate the housing and heating, because it had been done in 1910; the housing and heating was only a better way of doing it? A. The concrete is a matter that is—

Q. I want to get down to the fact. The housing and heating was not necessitated, it was only a better way or doing it? A. It was a better way.

Q. You are not responsible, of course, for the words in the report to Council—you did not draft the report? A. No, I did not draft the report.

Q. And then this further statement is made in the Order in Council—this further work is not provided for? A. No.

Q. Now, it is quite true that housing and heating were not provided for in the contract but there was heating provided for in the contract, wasn't there? There was a method of heating provided for in that contract? A. Yes, heating the material.

Q. Then, if you were sitting in Council and didn't know any more about the matter than was conveyed in that report to Council, don't you think that in order to understand the situation, the report should have explained that the contract did provide for a method of heating but that this more expensive method was thought to be a preferable method, wouldn't that be the truth? A. I cannot discuss what you say. The meaning in both cases is different. In one case it is of heating material, and in the other it is heating the mass.

Q. I will repeat my question: if you were sitting in Council and did not know any more about the matter than was contained in that report to Council, don't you think that in order to understand the situation the report should have explained that the contract did provide for a method of heating but that this more expensive method was thought to be a preferable method. Wouldn't that be the truth. You understand the question? A. Yes, I understand it.

Q. Let me put it in this way in order to be exact: shouldn't that report have stated that one method of heating was provided for in the contract? A. Of heating the concrete, sir?

Q. It was in 1910, the concrete was heated in 1910? A. It was done.

Q. According to the contract? A. What is mentioned in the contract is a method of heating the material.

Q. You need not be more exact than the contractors were. The contractors understood that they were to lay pipes and cover it with tarpaulins, and they did lay pipes and cover it with tarpaulin in 1910 under the contract? A. I don't know if they understood that.

Q. Well they did it? A. Yes, they did it.

Q. And they didn't ask to be paid for it? A. No.

Q. I simply asked you whether that report to Council, in order to be perfectly clear, so that Council when they sat down to understand it, ought you not to have told them that one method of heating material, if you like, was provided in the contract, but there was a better method, and that better method ought to have been adopted? Wouldn't that be the straight and fair method of explaining to Council? A. The two are utterly different.

Q. Yes, but shouldn't the two have been explained to Council? A. I don't know sir, if they should go into those details.

Q. Shouldn't Council know what they are doing? A. They ought to know of course.

Q. Well, with that report before them, could Council know from the report that there was a provision in the contract for some method of heating the concrete and that this was a change? A. You have only to read the report. I would like to read it.



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Q. Well, you can read it over and over again and see if you can find anything like that in the report? A. There could certainly have been more information given them.

Q. And Council could have understood the situation much more exactly. The point I put to you is this, that by telling one-half of the fact, and by suppressing or omitting the other half of the fact, a wrong impression was created? A. I do not think a wrong impression was created or that it was the intention to suppress anything.

Q. You have nothing to do with intentions. If I was a private person for whom this work was done I know what I would have said. I would have said "These men are under the expense of doing it in one way but there is a better way, and if they will do it I will allow them the difference between what the old way would cost and what the new way would cost?" A. The old way in which they had to do it was of very little expense.

Q. The principle is there. It is all very well to be lavish with public money? A. Probably all these different points did not occur at the time to those who prepared the Order in Council.

Q. That is what I am trying to get at, the trouble in your Department is that these things go on and no one is responsible for them. They are occurring, and the public losing by it, and yet we cannot fix the responsibility? A. I do not think so, because everything was done to try and save money.

Q. I think nothing was done? A. The object of this was to obtain the best results possible, to run less risk of accidents.

Q. The object of this was to get your foot out of a hole into which your Department had got? A. No, sir, I do not admit that. The intention was to do the best thing possible under the difficult conditions we met there

Q. Mr. St. Laurent, why were you doing work in the winter of 1911, except through the delay of the contractors? You entered into this contract in 1909 and in the winter of 1911 you were still beginning the construction of the most important part of the dam. Now hadn't the contractors been guilty of delay? A. I told you in my evidence before that we thought at the time the delays were so annoying and we blamed them.

Q. Hadn't you received complaints that they had incompetent foremen there? A. Yes.

Q. And I think they hadn't their machinery on the ground when they ought to have had it there? A. Yes, and the Engineer discussed this matter with me and the matter was taken up with the contractors.

Q. And didn't it turn out that their estimate for coffer damming and unwatering was very absurd? A. Yes.

Q. And hasn't it been shown now that your Department had no scheme or plan for unwatering and never knew what was needed? A. As far as I know, I don't know.

Q. You said right along there was no scheme for unwatering? A. I don't know personally that there was no scheme, Mr. Chairman, what I mean is I don't know that there was any scheme in the minds of others, I don't know.

Q. I am not blaming you individually, but I say your Department started out to do that work without an adequate knowledge of how it ought to be done, without any investigation of how it should be done, without any consideration of how the most important work should be done, without enquiring into the ability of the contractors to carry it out, and their knowledge and experience in hydraulic work. And every step of the way negligence and carelessness were exhibited by someone in this great work? A. I do not admit that. I will admit that difficulties have occurred that have not been foreseen.

Q. The delay in the work was not caused in the first place by unforeseen difficulties. There were no unforeseen difficulties on the Ontario side, yet you had not

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begun, the contractors had not begun the work on the Quebec side until the winter of 1911. Up to that time the delay had not been caused by difficulties at all, but simply by delay and nothing else. That is all. Over eighteen months spent on the Ontario side in dawdling? A. We tried to push that on as much as possible. When we advised them to change foremen, they did it willingly, and got a competent engineer, and they advised us that they had got Mr. McRea, who is a hydraulic engineer. That satisfied us temporarily, and of course the seeing in advance is very different from seeing it now.

Q. The tender that the contractors put in, the sum for which they tendered, was inadequate from the beginning, and no sane man could have thought that \$4,000 would be sufficient to pay for the unwatering of that concrete dam? A. I don't know.

Q. And no sane man did consider it sufficient, because they never considered it at all? A. Well, some things, in some cases the unwatering is partly covered by other prices.

Q. There were not enough of the other prices in Kirby & Stewart's tender to cover the unwatering? A. It turned out that they were low.

Q. It did not only turn out, because from the very first it was apparent that in the prices they had put in for a wooden dam, working the cost of their dam come up to \$4,000, less than the Chief Engineer had estimated, showing that their prices for wooden work were not too high? A. No, in many cases there are larger differences than that between the Chief Engineer and the lowest tenderer, it was more than theirs, showing that they were low.

Q. You know perfectly well that in the unit prices in Kirby & Stewart's tender for the wooden dam there was no margin left for unwatering? A. I know it now.

Q. With your experience, you could have known it then, because you knew all about prices? A. I knew about prices, but it is not my duty to examine these details.

Q. Then you didn't know it, it was because you didn't examine it? A. It was not my duty to examine that.

Q. That is what I say, your Department, if they had examined the tender of Kirby & Stewart they would have known that the sum they had provided for unwatering was insufficient from the very first day, and that led to a very great deal of trouble afterwards.

The Witness retired.

The Commission adjourned.

OTTAWA, TUESDAY, March 5, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

Examination of ALEXANDER GREY, Civil Engineer in the Public Works Department.

*Examined by the Chairman:*

Q. Where are you employed at the present time, Mr. Grey? A. In the Public Works Department, principal assistant to Mr. Coutlee.

Q. You are the principal assistant to Mr. Coutlee? A. Yes, sir.

Q. And you have recently been employed about the Timiskaming Dam? A. Well, I visited the Timiskaming Dam about twice a month.

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Q. And you have recently come from there? A. Yes.

Q. What is the position of the dam on the Quebec side at the present time?  
A. The coffer dam is completed and the water is pumped out, to within about a foot of the bottom of the river, and the abutments are very nearly completed.

Q. That is one on the island side and one on the Quebec side? A. Yes, and the concrete is started for one pier.

Q. On which side? A. On the island side and the storm shovel is at work there excavating the bed of the river.

Q. For the platform? A. Yes, for the platform and sluiceways.

Q. The river is dry enough for excavation to go on? A. Yes, it is not as dry as we would like it to be.

Q. Is that because the dam is leaking? A. Yes.

Q. Is it leaking through the dam or under the dam? A. Through the coffer dam—well, it is difficult to say where the leaks are on account of the snow and ice.

Q. Will considerable excavation have to be done before you will be able to commence to lay the platform? A. Yes, there is about 15,000 yards of excavation required, but we are just following up the steam shovel, that is the work is going on simultaneously.

Q. Is the laying of the platform going on now? A. Yes.

Q. As you go ahead you lay the platform as you go? A. Yes, the work all goes on simultaneously.

Q. Your excavation is down deep enough to enable you to lay the platform at certain places? A. Yes.

*By Mr. Ducharme:*

Q. I suppose some of it is dry? A. No, the men work in hip-boots.

Q. The men work in hip-boots? A. Yes.

*By the Chairman:*

Q. Doesn't that water destroy the concrete? A. No, if you take the proper precautions to see that the water does not wash through it. If it washed down it like a regular spring, it would certainly.

Q. How do you stop it? A. We staunch at the side, and let it off by trenches.

Q. You let it off by trenches and keep the places dry where you are putting it?  
A. Yes, and it is all right if there is no current of water going through.

Q. You have been able to get your coffer dam as tight as you would like to have it, I suppose? A. No, sir.

Q. But still you go on and under the existing conditions you lay your platform?  
A. Oh, yes.

Q. Well, are you building your platform from the bottom up, or down from the top, or from the middle both ways, or how are you building it? A. We are erecting it from the top down. That is from upstream down.

Q. You are beginning upstream and working down? A. Yes.

Q. And is the platform being laid in the middle or on the sides of the Quebec stream? A. At the sides, on the island side.

Q. You are extending it out from the island side? A. Yes, on both sides, but at present the platform is only being put down on the island side.

Q. Isn't there some sheet piling to be driven down at the two sides? A. We attempted sheet piling, but found it would not work on account of the boulders.

Q. On account of the boulders underneath? A. Yes.

Q. So your excavation has not got down to solid rock, anywhere on the mid-stream? A. We do not anticipate that it will.

*By Mr. Lake:*

Q. How deep down?

WITNESS: With our excavation do you mean?

*By the Chairman:*

Q. Yes, how deep down below the bottom of the piers? A. About three feet. We are going to put down a cut-off trench about eight feet deeper than that.

Q. At the upper end? A. Yes, we haven't any of that done yet, we want to get the platform a little ahead so as to control the water.

Q. Opposite the trench—you were going to put sheet piling above the trench also? A. Yes.

Q. You have abandoned that? A. Yes.

Q. As you get down does the bottom get more strongly packed than where you began the excavation or is it about the same? A. I think about the same.

Q. Pretty nearly all boulders? A. Yes, all boulders and sand, very heavily bouldered.

Q. Heavy boulders? A. Yes.

*By Mr. Lake:*

Q. You have not encountered any quicksand? A. No, we haven't but there may be some further down.

*By Mr. Ducharme:*

Q. Do you make use of the boulders? A. Yes, we use them in the concrete.

Q. Do you leave them there and put the concrete in them? A. No.

Q. You take them up and break them? A. No, we cannot take them up, they are too heavy, but we put them on one side.

*By the Chairman:*

Q. Still, of course, when you have got down with your excavation, you are still putting your platform on boulders, for the whole bottom is boulders isn't it? A. Yes, but it would hardly do to leave great big boulders in the concrete.

Q. No, but you are placing your concrete on boulders? A. Yes.

Q. Getting the bottom firm and level before commencing to build it? A. Yes, of course. the idea in excavation is to get down below the natural bed of the river with your foundation for the platform.

Q. That, nevertheless, is still going to leave a large margin of danger? A. In what way?

Q. A danger of the water percolating through the sand and boulders underneath? A. Well the cut-off will counteract that, you see.

Q. If it goes far enough, but suppose you don't get it deep enough down to hard rock, won't you have the same difficulty in the modified stream? A. No, not with proper precautions. We propose to staunch opposite the dam, with great large boulders that cannot be displaced by the water, and that will keep it down.

Q. Now, with regard to the dam, if everything goes well what time are you going to have your concrete work done? A. I think if everything goes as we were going on my last visit there, we will have the dam in shape by the middle of April before the high spring waters go through. That is, I mean, we won't have the top finished up high enough not to be troubled by the water, but we could let out our coffer dam.

Q. You won't mind your coffer dam going out? A. No, we would put it out.

Q. Before that time? A. Yes.

Q. And the dam won't be finished before the water goes down? A. No.

Q. You won't be able to conserve the water with the dam this year? A. No, we never anticipated doing it, sir.

Q. The completion of the work will have to be after the water has run off in the late summer or autumn? A. Yes, of course.

Q. How many men are employed there now? A. I was going to say, that of course if we didn't have so much water to contend with I think we might have it completed in time, entirely completed with all the concrete put in, but we have had a delay of a week or two with the coffer dam and that puts us back.

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Q. How many men have you working there now? A. I couldn't tell you the exact number.

Q. Well, about how many? A. Over two hundred.

Q. All that can be used? A. Yes, we have all that we can economically use.

Q. Who is in charge of the work there? A. Mr. Donnelly.

Q. Mr. Coutlee is out there to-day? A. Yes, he has been there for the last two weeks.

Q. You have given me an estimate which you prepared at my request, showing the total of - - - Well, I will say it differently - - your estimate is made up in this way:—

*Timiskaming dam:*

Expenditure to March 1.. . . . .	\$ 86,000 00
Estimated cost to complete.. . . . .	100,000 00
Land damages.. . . . .	45,000 00

Making a total of. . . . . \$231,00000

A. Yes.

Q. Now that first item, expenditure to March 1, \$86,000, from what time is that?

A. That is from the time when we took the contract over from Kirby & Stewart.

Q. That is after Kirby & Stewart's time? A. Yes.

Q. Up to the last payment that was made? A. Yes.

Q. And in that expenditure of \$86,000 is included only the wages and material bills? A. Just the wages and material bills and any little plant that was purchased.

Q. For work done by the Government? A. Yes.

Q. That does not include the work for which Kirby & Stewart were paid? A. No, it does not include their bills at all.

Q. It includes nothing paid to Kirby and Stewart? A. No, sir.

Q. This estimated cost to complete is based upon the hope that no accidents will happen? A. Exactly.

*By Mr. Lake:*

Q. Do you think that is ample? A. I think it is a conservative estimate.

*By Mr. Ducharme:*

Q. Did you spend \$86,000 besides what you bought from Kirby & Stewart?

A. Yes.

Q. You know the Government bought something from them? A. Oh, yes, but that does not include anything of their business at all.

*By Mr. Lake:*

Q. What are the land damages payable for? A. For lands flooded.

Q. Around the side of the lake? A. Yes, and the towns of New Liskeard and Haileybury and all those places.

*By Mr. Ducharme:*

Q. Who estimated these damages? A. We have a man, Cross is his name, A. B. Cross. Of course, it is only natural there would be damages if we are going to raise the lake about fifteen feet.

*By the Chairman:*

Q. I understand that you do not raise the lake fifteen feet, but you raise it from the low water mark to fifteen feet, but the high water mark is not much raised? A. No, it only lasts a day or two.

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Q. But is it raised? A. No, not much.

Q. What I meant to say is that between high water and low water, it might be a question whether the owners would have any claim whatever.

*By Mr. Lake:*

Q. I understand that the \$86,000 includes nothing the Government paid previous to taking over the work in August, 1911? A. No.

Q. It includes nothing paid to Kirby & Stewart at any time? A. No.

The Witness retired.

The Commission adjourned.

OTTAWA, MONDAY, March 11, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

Examination of Mr. J. B. HUNTER, Deputy Minister of Public Works, recalled:

*Examined by the Chairman:*

Q. You have already been sworn Mr. Hunter? A. Yes.

Q. I want to ask you about the proceedings in 1911 with reference to the cancellation of the contract when the work was taken over from the contractors, and just to remind you of it: On the 12th of July, 1911, the Assistant Deputy Minister and Mr. Coutlee, the Engineer in Charge, signed a letter to the Minister of Public Works in which after referring to various features of the work said:—

“We therefore recommend that authority be given to take the necessary steps in order to arrive at a proper and final settlement with the present contractors, that the work be paid for at contract rates,”

and then they go on with some other things in the letter; then on the 18th of July, a letter was sent to Kirby & Stewart, the contractors which I think from the type-writing was probably signed by you? A. No, that was Mr. St. Laurent. He carried on all the correspondence about that. He has the same kind of machine as I have.

Q. Well then on the 18th of July, Mr. St. Laurent addressed a letter to Kirby & Stewart the contractors and they are notified by the Minister in the following language:

“Before placing the matter before Council in order to avoid any misunderstanding the Honourable Minister desires to know if you agree to these terms (and these terms are set out in the letter so far as my present question is concerned in these words) that the work already executed be paid for at contract rates.”

Then on the 28th of July the Assistant Deputy Minister again writes to the contractors as follows:

“Will you kindly reply as soon as possible to my letter of the 18th instant.” There is nothing on file to show whether any answer was ever given or not. Can you tell us what took place at that stage, Mr. Hunter? A. No, I don't know that I can. In that negotiation the contractors used to go to the Minister, and Mr. St.

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Laurent being in charge of the work, the Minister called him in to see about that. I had nothing to do with that at all.

Q. Our reason for asking you is that you are Deputy Minister? A. But everything does not go through my hands in that Department. It is too large.

Q. My reason for drawing your attention particularly to it is this. By a memorandum made on the 5th of August, 1911, the Minister made a recommendation to Council in which on this point he recommended in a different language than was used there, the recommendation ran this way:

“The work already executed which may be considered as absolutely necessary be paid for at its actual and reasonable cost.”

The words “actual and reasonable cost” are not the same as appear in the recommendation which were that it be paid for at contract rates? A. Yes.

Q. Were you present when that change was discussed? A. I have a recollection of seeing those words written into the report as prepared by the Minister, in his own handwriting.

Q. That is the words that were written in were in the handwriting of the Minister? A. Yes. The words “actual and reasonable cost.” I don't know whether that document is still about, that would be on the first draft of the report to Council. That arrangement was made entirely by the Minister.

Q. You were not consulted about the change? A. No.

Q. Nor the policy of the change? A. No, once or twice I was in when the contractors came, that is I happened to be in once when they came in, and they were asking for a change. I happened to know that they made a protest against being paid at the contract prices, and they were urging upon the Minister to give them the actual cost, that is the amount of money they had actually disbursed, and I knew that discussions were going on along those lines, but they were discussions entirely as a matter of policy between the Minister and the contractor.

Q. The letter of June written in the name of the contractors was conveyed to them, it appears by the report, by Mr. Chrysler, K.C.? A. He was up several times, he was their lawyer in this matter.

Q. I mention his name to see if it will not remind you if there was any discussion which might have taken place between him and the Minister on this point? A. Not while I was there, the only discussion I had with Mr. Chrysler was when the supplementary agreement along the lines of the Order in Council was made, the one we were speaking about the other day.

Q. That is the agreement in October? A. Yes, Mr. Chrysler came to see me about that, and that was the only thing I had to do with Mr. Chrysler.

Q. Well, I now come down to that very thing. The supplementary agreement dated the 5th October, 1911, can you say who drafted that? A. I think it was drafted by Mr. Chrysler.

Q. You might just look at the document and look at the book and you will see Chrysler's name on it? A. Yes.

Q. That is probably the draft? A. No, there was a draft—that may be the final draft, but I think the first draft that came up was a little different in its terms from the Order in Council, and he was told to take it back and correct the draft, and make it exactly according to the terms of the Order in Council.

Q. To whom did he bring the draft? A. I cannot say as to that. The thing travelled through me at some stage of the proceedings.

Q. Was the Minister here at the time? A. Yes, he was here.

Q. He was here at that time? A. Yes, whether he gave it to me, that is whether Mr. Chrysler gave it to the Minister and the Minister gave it to me and I handed it to the Law Clerk, I am not sure.

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Q. The Law Clerk says he had nothing to do with it, he says all he had to do was with the final agreement? A. He had nothing to do with the preliminary, that is the first draft.

Q. The Law Clerk says the draft marked Chrysler, Bethune & Larmonth, and which is word for word and letter for letter the same as the final agreement, excepting the date, which is filled in, was handed to him by you with instructions to have it engrossed and prepared for signature and that is all that he ever had to do with the agreement in any way? A. No, he had more than that. I always put these things through him and make him responsible for checking them, or if he has any observations to make on them it is his business to make them. I would give that to him and tell him to see that if so far as he could see it was in accordance with the Order in Council, and if so, it would be executed.

Q. Do you remember having done that in this case? A. I always do.

Q. But in this particular case do you recollect as a matter of memory that you did it in this case? A. No, the reason I say it is that I make a practice of it.

Q. Can you recall the facts, these particular events to your memory, and say whether you did it in this case? A. That is impossible to do.

Q. You cannot? A. No.

Q. The reason I ask you is because he emphatically says it was not done? A. He will take responsibility for nothing, if he can dodge it in any way he will do it.

Q. He states the facts, it is not a case of responsibility, but he states as a fact that it was not done. Now you say you do not remember giving it to him? A. No, I do not.

Q. Or giving him any instructions about it? A. I put it through his hands, it would naturally be put through his hands.

Q. When you say you remember, do you remember sending it to him by some one or calling him to come in and giving it to him? A. No, my recollection is more when he brought it back for my signature to execute it. I remember him coming to me at that time.

Q. Do you remember talking to him about it when he came back? A. Yes. I always ask him if he is in accordance with the contract and everything else.

Q. That is your general custom, but can you charge your memory with having done such a thing in this particular case, which is a most exceptional case? A. Anything of this kind is the same.

Q. No, it is not, in the first place all the surrounding circumstances make it a very exceptional and unusual transaction? A. No, the draft I think was worded a little differently from the Order in Council you see. The instructions I gave him were simply these, the Order in Council must be followed identically, with no departure. That was the substance of it. I looked over this when Mr. Chrysler brought it and I said, "This is not in accordance with the terms of the Order in Council, and no departure from those terms must be made. You will have to go back and re-draft this thing identical with the Order in Council."

Q. Would you give him the draft—you are talking of Mr. Chrysler there? A. Yes.

Q. He would bring back a draft with him—take it away with him? A. Yes.

Q. And when he would bring it back who would examine it to see if the final draft was the same as the Order in Council? A. The Law Clerk.

Q. The Law Clerk says he had no instructions to do that? A. He must have had, because he gets instructions about everything just along those lines.

Q. You only say that because that would be your general custom, is that right Mr. Hunter? A. Yes.

Q. You don't say it from memory? A. No, how can I charge my memory with every word I say?



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Q. A man may or may not remember one particular event, if you say you do not remember what was done that is all right, but I am asking you if you do remember?  
A. I do not remember asking him particularly to revise that, but I have no doubt I did.

Q. Well in this particular case we find it is not the same. There is a difference in what appears to us to be a very material difference as to the meaning of it. There is a punctuation in the agreement not found in the Order in Council? A. You mentioned that the other day.

Q. Yes, I think I mentioned that the other day. Did you yourself examine the agreement to see if they had the same wording as the Order in Council? A. No.

Q. You relied upon other persons? A. Yes.

Q. Having regard to your experience of the Law Clerk, do you think it was prudent for you to rely on him to see if the agreement was just right in a matter of such importance? A. I must let the Law Clerk assume his responsibility. He is the Law Clerk and the Minister is promoting him to the first division of the Service now. He must discharge the duties of Law Clerk.

Q. But you are the Deputy Minister? A. Yes, but I cannot go through everything.

Q. Arn't you responsible for the competency of the men in your Department?  
A. No, I am not.

Q. If you knew a man was incompetent would you pass anything that came up before you from him, would you put your signature on it without remonstrating? A. I may remonstrate and I may say things if I happen to glance over a document and I find it does not express the facts properly, and I have had occasion to send it back to Mr. Chasse, because it was not in accordance with the facts, and have him change it.

Q. But here is a contract involving a large amount of money, a most important matter, and you knew Mr. Chasse's limitations by experience. Do you mean to tell me that you would sign that without any further legal advice on it, than the legal advice of Mr. Chasse? A. I would have to, I can't rely on any one else but Mr. Chasse.

Q. Yes, you can, in the first place upon yourself? A. I am not a lawyer.

Q. But the reading of an agreement to see whether it conforms with the Order in Council, for that purpose you do not require to be a lawyer? A. Even if I had read that I might not have noticed the punctuation.

Q. No, but you might have and probably would? A. I wouldn't say that. You must understand I am doing business over there with a room full of people, under pressure.

Q. You know Mr. Chasse is a man who has never been admitted to the bar? A. I understand he claims to be a notary which he says is quite the equivalent.

Q. Do you think it equivalent? A. I don't think it, no.

Q. Do you think, having regard to the important contracts which must go through the Department, and the numerous cases coming up all the time, that he is competent for the work? A. I would rather leave that to the Minister.

Q. But I am asking you and you must answer whether you like it or not? A. I don't think he is a first class lawyer.

Q. Do you think he is sufficiently able and experienced as a lawyer to be entrusted with the responsible duties of you Department? A. With some of them some of them are too difficult I should say.

Q. He can do many things right, but having regard to what you told us, that you would sign an agreement on behalf of the Department, depending upon him, do you think in important matters it is right for you to depend on him? A. I haven't time—

Q. I am not blaming you. Don't you think the Department ought to be provided with a man upon whom you can rely with more confidence than upon Mr.

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Chasse? A. I think the Department should be provided with a man who can handle all the legal business, so that it could be brought to me and I could simply sign it when he presents it, having confidence that it is all right and in accordance with the document that precedes it.

Q. You remember we were having a discussion with you the other day with reference to the separation of minutes, and you pointed out that they were prepared in such a way, and that you signed them as they were presented to you because you hadn't time to look into them any more closely? A. I think I made this qualification to that, that I took the recital for granted, and what I try to look at is the recommendation to see if it is in accordance with the facts as I understand them. I don't bother with the recitals, the dates and so forth.

Q. We see your difficulties, Mr. Hunter, and what we want to get at is this: with the great press of work that you have to do, and the fact that the Deputy Minister, as head of the Department is finally responsible? A. Yes, I have to assume all responsibility whether it is coming to me or not.

Q. You think the Department should be provided with reference, for instance, to the Law Clerk, and the technical and professional staff of one kind and another, with men on whom you can place implicit reliance? A. Yes, and with a view to strengthening the law branch I requested Dr. Pugsley to appoint an assistant law clerk, which he did.

Q. I want to go back now to the recommendation of August 5. The secretary tells us that with reference to that particular recommendation it came to him complete except that he added the formal parts to it? A. I think that is so, I think Mr. St. Laurent with the Minister, prepared the recommendation in that form. Now I do not want to be misunderstood, I do not want to unload any responsibility on Mr. St. Laurent that I should bear myself, because he may have been drawn into that entirely on account of his connection with the Timiskaming work. The Chief Engineer not being here, and naturally he being more in touch with that work, the Minister sent for him as Assistant Deputy Minister, and handled it through him.

Q. At any rate you had nothing to do with the drafting of that order? A. No.

Q. The report of July 12 to the Minister signed by St. Laurent upon which that recommendation was later passed? A. I suppose it is practically a quotation, the recommendation from that report, with the exception of the alteration of the formal words.

Q. You had nothing to do with that? A. No.

*By Mr. Lake:*

Q. About the opening of tenders. You told us, I think, that the rule in the Department, is that they must be opened by two officials, both of whom shall initial them? A. Yes.

Q. I think I pointed out to you that the four tenders in connection with this Timiskaming dam only bear the initials of Mr. Pugsley? A. Yes.

Q. Would that mean that Mr. Pugsley was alone? A. No, it must have been an oversight that the tenders were not initialled by some one else who was present at that time.

Q. Does that usually take place? A. I don't know of another case in which that has happened. The other day after I left here I asked if there were any such cases and they said no, there had not been, and the secretary said he could not understand it, because he takes them when they come back to his office and he couldn't give me any other instance of that having occurred.

Q. How long has it been the rule that there shall be two in the opening of the tenders? A. It has always been the rule so far as my connection with the Department is concerned.

Q. How long ago is that? A. 1902, I came to the Public Works Department. I was going to say in 1908 I think I was, there was an Order in Council resulting from

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some discussion in the House about Ministers opening tenders, which authorized Ministers, and I think made the procedure generally throughout the Departments, that the Minister was to have the naming of the official, the Minister and the Deputy Minister, or if the Minister himself did not act he was to name some other official to act with the Deputy Minister to open tenders, and with the exception of very few works since the passing of that order, I have opened works always with the secretary, Mr. Desrochers, and I think since Mr. Monk has been Minister we have opened every tender but one, that is every set of tenders.

Q. If you had opened the tenders in the present case, you would also have initialled the tenders? A. The same procedure as with the secretary.

Q. When you open a tender and award a contract, in what way do you make your award, how does it appear on the paper? A. Here is the way it is done. The secretary comes with a list, headed with the name of the work and the approximate cost, and the date for receiving tenders, and so on, and he says, five tenders or four tenders as the case may be forthwith. Then he hands me a large envelope containing these. I open that and see that there are five envelopes there. Then we proceed to open them. Then after we are through, if it is a case of tenders that would have to be reported upon by the Chief Architect or the Chief Engineer, we send them to that officer for a report, but if there is nothing unusual about them that would require a report from the Chief Architect or the Chief Engineer, I write five tenders herewith, secure report from Chief Engineer and submit, or something like that. If everything is regular and does not require anything more than our own action at that time, I simply write, five tenders herewith, prepare schedule and report to Council for lowest.

Q. Do you make a note on any of the tenders, that that tender which is the lowest shall be accepted? A. No, we simply initial the five tenders and put that instruction in the memo.

*By the Chairman:*

Q. Sometimes on a list of tenders which is attached to the tenders themselves we find that the Minister has drawn a mark around a particular tender and has initialled it? A. That would be tenders he opened himself. He does that, or I might do that, the same thing, but I don't do it. I merely send it back the other way, through the secretary.

Q. But does he initial it on the lowest tender to show that that one is to be accepted? A. That is done now. When this report comes back it goes back with the schedule of tenders attached to it, and the Minister is asked if he approves of the acceptance of the lowest tender to put a ring around it and send a report to Council.

Witness retired.

The Commission adjourned.

OTTAWA, SATURDAY, March 16, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

ARTHUR ST. LAURENT, Assistant Deputy Minister of Public Works, already sworn, recalled.

*Examined by the Chairman:*

Q. On July 12, 1911, you prepared a report to the Minister which was signed by you and Mr. Coutlee? A. Yes, sir.

Q. And that report sets out a series of features concerning the construction of the Timiskaming dam and winds up with several recommendations? A. Yes, sir.

Q. And one of the recommendations: "That the work be paid for at contract rate"; that is the one I want to draw your attention to? A. Yes.

Q. Now, on the margin of that letter is marked: "To the Secretary A.S.L.; Minister requires a report to Council to be prepared on these lines." Then there is marked further: "R.C. prepared 13/7/11"—that would be the 13th of July, 1910? A. Yes.

Q. Whose endorsement is that last one, "R.C. prepared"? A. It looks like the Secretary's writing.

Q. And probably would be in the regular course? A. Yes.

Q. Now, the next document is that of the 18th of July—there is a letter to Kirby & Stewart, the contractors, signed by you as Assistant Deputy Minister in reply to their letter of 29th of June last, you quote to them the recommendation which the Minister is willing to place before Council, and on the point we are discussing it was those same words you had got into your recommendation. "That the work already executed be paid for at contract rate."? A. Yes.

Q. Now, from the form of that letter, that part which you quote in the letter is evidently taken direct from the draft which the secretary had prepared according to the Minute? A. Yes, or from my memorandum.

Q. If you will look at this you will see that it must be that because it says: "The undersigned concurring in the views of his officers"? A. Yes.

Q. You will notice that on the back of that letter there is a complete extract which sets out the whole of that recommendation? A. Yes.

Q. I want you to get your mind fixed on these words: "Also that the work already executed be paid for at contract rates"—because when the Minister reports to Council, as it actually went over it contained these words in place of those quoted: "That the work already executed"—so far they are the same? A. Yes.

Q. Then it says: "which may be considered as absolutely necessary be paid for at its actual and reasonable cost"? A. Yes.

Q. You see that there are two changes there? A. Yes.

Q. You will notice that these words: "Which may be considered as absolutely necessary" have been put into the draft after the word "executed"? A. Yes.

Q. And that after the words "be paid for at" the words "its actual and reasonable cost", take the place of the words: "at contract rates"? A. Yes, that is right.

Q. I want to draw your attention particularly to the fact that there are two interpolations? A. Yes.

Q. Now, we will take the actual quotation with regard to that. After the letter to the contractors notifying them of what the Minister was going to do, do you re-

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member whether the contractor saw either you or the Minister or anybody else and discussed that question? A. I have a knowledge that he saw either the Minister or the Deputy. I was not brought into that discussion. I know of my own personal knowledge that they did not want to accept contract rates and they made representations to that effect, but I was not present at the discussion that took place.

Q. I have it from the Deputy Minister here that he was not present and that the discussion really took place with the Minister? A. Well, I suppose so.

Q. But in any case you were not brought into the discussion in any way whatever? A. No.

Q. After that discussion between the contractors and the Minister or the Deputy Minister, did you have nothing to do in the case with the draft report to Council or the form it was in when you had it up? A. I do not think so. I tried to find out yesterday after my interview with you how this came to be changed, and the secretary could not give any explanation and they found out though that the last page had been re-written. Of course if the changes were made naturally the last page would be re-written. The effect of that change is to accept liability for all the moneys that the contractors have expended on that work; the effect would be that way if the vouchers produced are found to be reasonable in relation to the value of the work; that is the view I take.

Q. The view you took was that if the actual cost was also the reasonable cost it would make the Department responsible for it? A. Yes, it could be made the basis of settlement.

Q. But there was this difference between what you first recommended and what the Minister recommended to Council, that you were only recommending the contract rate? A. Yes.

Q. If the actual cost exceeded the contract rate this amending order was accepting responsibility for that difference? A. I did not understand it that way. If the cost exceeded materially the contract rate, to my point of view it could not form the basis of settlement.

Q. In that you are depending on the word "reasonable"? A. Yes.

Q. But in order to find out what is reasonable the whole question would have to be referred to some tribunal if there was a dispute? A. Yes, to some tribunal or to engineers.

Q. It would have to be referred either to arbitration or to the court if there was a dispute? A. Yes.

Q. But now, suppose the reasonable cost of it exceeded the actual cost, the difference would have to be paid by the Government under this last order? A. If it could be certified.

Q. I say the effect of it is that? A. Certainly.

Q. If the reasonable cost exceeded the contract price, then by this changed order the Government were accepting that responsibility? A. Yes, sir.

Q. Then you are aware a difficulty has already arisen over the interpretation of these words: "actual and reasonable cost"? A. Yes.

Q. There were some persons appointed to make a valuation and they had a difference of opinion with the contractors about what the words meant? A. I understand so.

Q. Take this other set of words: "The work already executed which may be considered as absolutely necessary"—you were not of course consulted about putting these words into the Order? A. I may have been.

Q. Just burnish up your memory on that? A. I do not know, but I may have suggested these words myself.

Q. Don't say "may". This is an important thing and I do not want you to suggest a possibility. I want you to depend on your memory and see if you can recall having had anything to do with these additional words? A. I cannot recall exactly.

Q. Do you remember anything at all about those words: "which may be considered as absolutely necessary"? A. Yes, I remember something.

Q. Tell us what you remember? A. I remembered something that these words should be added to guard against some work having been done by the contractors which was not considered absolutely necessary in connection with the work. I remember something about it.

Q. Tell us what you remember about it? A. That is all.

Q. What do you remember? A. I remember that some such words as these would be necessary to guard against the possibility of work having been done by the contractors which would not be absolutely necessary in connection with their work and not to be paid for. I cannot remember how the words were put in.

Q. Do you remember with whom you talked of this matter? A. I do not.

Q. These words we are just quoting would not have been necessary and would not have arisen for consideration under the terms of the original draft because in the original draft the words were: "Also that the work already executed be paid for at contract rates"—now, if you were paying for at contract rates you would not pay for anything already executed that had not been necessary because the contract rate would only apply to necessary work? A. Yes.

Q. When these words: 'which may be considered absolutely necessary' were being discussed, it must be in consequence of the words: "the actual and reasonable cost"? A. Yes, that having been decided by somebody in authority.

Q. Is this the way it may have occurred: That after it was directed that the work already executed should be paid for at its actual and reasonable cost it seemed to you necessary to qualify "the work already executed" by words which meant in this sense: so far as the same may have been absolutely necessary? A. That is what I remember about it, that occurred to me.

Q. You think then that that qualification about absolutely necessary work followed on the other change about actual and reasonable cost and was suggested by you to avoid any payment of unnecessary work? A. Yes, sir, I remember that.

Q. Then in your meaning at that time this would be a better expression of your idea: that the work already executed so far as the thing may be considered as having been absolutely necessary? A. Yes.

Q. That expresses your idea? A. That expresses my idea.

Q. What you wanted to impose upon them was the idea that if any work had been done which the Engineer would say was not absolutely necessary—not perhaps through bad foremanship or bad orders—that the Government should not be responsible to pay for that? A. Yes, that was my idea.

Q. You are a French Canadian and you speak the English language very well? A. I am afraid not.

Q. I wish I could speak French as well as you do English—but you might be a little bit weak on the composition of the English sentence? A. I may say that I find it hard sometimes in talking or being questioned to find the proper expression at once to answer. I can write a little better than I can talk.

Q. The reason I make that remark is this: the way those words are put in there they are just capable of two meanings. Instead of the meaning which you had there is another one; when they came to make the agreement in October it was drafted by the lawyer for the contractor, and very ingeniously helped to give it another meaning. I want to draw your attention to the agreement. Here is the agreement which was signed—now looking at the clause covering the payments we find—this was quoting from the agreement dated the 5th October, 1911—

"2. That the work already executed, which may be considered as absolutely necessary, shall be paid for at its actual and reasonable cost."

You will notice that the comma after the word executed and the comma after the word necessary appearing in the agreement is not in the draft report to Council.

## SESSIONAL PAPER No. 57

It has the form now of being an assertion that the work already executed is to be paid for as having been necessary? A. I would not have understood it that way.

Q. I am suggesting to you now that the sense of the words are materially affected by the use of two commas. In the original and according to your meaning the words: 'That the work accepted which may be considered absolutely necessary shall be paid for'? A. Yes, it is so.

Q. Now you see: "That the work already executed, which may be considered as absolutely necessary. The comma after the word "executed" and the comma after the word "agreement" would seem to be an assertion that the parties already agree that the work is necessary? A. I see the point there.

Q. And it would shut off any inquiry into the question as to whether the work was necessary? A. That is the position that the contractors could take.

Q. Yes, by the use of these two commas,—you say that was not your meaning? A. Oh, no.

Q. Counsel for the contractors in any court of justice would say that they refused to consent to any examination into the necessity of any work, because by signing this agreement the parties had adopted it themselves. That is to say, that the agreement as it was signed contained itself the assertion that the work already executed is to be considered between the parties as having been necessary? A. Yes, I see the change it makes.

Q. Your meaning may not have occurred to anybody as being anything else than what you thought it was, but as a matter of fact in the examination by the Department of the contractors' vouchers, I am informed that the contractors claimed that every dollar of expenditure had to be considered? A. Yes, I was told the same thing.

Q. That is not the meaning. As a matter of fact this meaning is suggested for the first time in the draft agreement presented to the Department in October by Chrysler, Bethune and Larmonth for the contractors, which draft was copied in the Department in the law office, and was copied or was executed by the Deputy at the time when this report to the Minister was adopted, the contractors had stopped work? A. Yes, it was in July.

And the dam had been swept away early in May, and while the high water remained nothing could be done in coffer damming or unwatering; there may have been a little seaming up that was necessary, but the major part of the work was done? A. Yes.

Q. Consequently, if the contractors met with any loss on this work, it had all been met with before the adoption of this report to Council; whatever loss there was had all preceded this? A. Yes.

Q. Let me ask you this: So far as you personally know was there any discussion as to the difference involved between paying at contract rates and paying at actual and reasonable cost; was the amount involved discussed? A. So far as I know at the time, no. I was not mixed up in that discussion.

Q. You don't know of any calculation having been made to show what the difference was? A. No.

Q. You remember perhaps that in the previous year the contractors had represented themselves as having lost about \$57,000 on excavation? A. Yes, I remember that.

Q. When they were claiming extras? A. Yes.

Q. And then, of course, even after that date they had gone on doing some work in excavation and so forth, and if it were correct that they had lost on the excavation it would follow that by the spring of 1911 they would have lost a good deal more? A. Yes, likely they would have continued to lose.

Q. And I have here from the accountant's office showing in detail the payments made to Messrs. Kirby & Stewart *re* Timiskaming Dam up to May 15, 1911; on last estimate No. 18, they had been paid \$104,640? A. Yes.

Q. That would be on the contract? A. On the contract progress estimates.

Q. Now, it is the practice to hold back ten per cent on progress estimates? A. Yes.

Q. And on \$104,000 that would amount to \$10,400 about? A. These are the amounts paid, the estimates were higher than that and the accountant deducts them.

Q. I have here notes that I took this morning. The last progress estimate passed was up to April 30, 1911, and the estimate as certified by the Engineer for work done was \$115,500. From this a drawback of ten per cent is deducted, making \$104,340 which the accountant paid. Consequently if the gross estimates were correct they had really done \$115,050 of work up to that time? A. Yes.

Q. I want to draw your attention to the claim put in by Kirby & Stewart on October 19, 1911, entitled: "Showing total cost of work and amount due or in connection with taking over the work as per Order in Council, dated August 11, 1911." There is first given the total cost of the work at \$334,572.18. Now, in that amount was included, according to them, \$34,298 for plant? A. Yes, sir.

Q. Then there was also put in an amount of \$61,430 for unwatering the Quebec channel? A. Yes, sir.

Q. And then there was put in \$2,400 for heating, and those three items would make \$98,150? A. Yes.

Q. And that would leave according to them, \$236,422 expended upon work? A. Yes.

Q. I am following their figures—now then, they had received according to their statement besides the progress estimates they had received some extra amounts? A. Yes.

Q. Therefore they received \$116,599, so that outside of some extra amount that had not yet been paid for in the inventory and on the unwatering, they were claiming \$119,463. Assuming that the difference between what they were paid on the estimates \$104,000, and the amount of the estimates, \$115,000 is still coming to them, that would leave after they had been paid that amount, then still claiming \$108,000? A. Yes, according to their figures.

Q. Well now, unless the progress estimates proved to be very erroneous, it would look as though there was \$100,000 to \$110,000 upon their own statement by Kirby & Stewart representing their loss at contract rates? A. It looks like that.

Q. But generally speaking, what they say from that rough sketching of figures the difference between paying at contract rates and paying at actual and reasonable cost would be about \$100,000? A. It may show that.

Q. Unless you can maintain your views that it is reasonable, has to be paid for and not "actual" was not "reasonable"? A. Yes, from my view of the thing, it will tell you frankly, from the work I know has been done there I could not see how the claim of the contractors, based on their claim as it is made, could form a basis of settlement because it seems to be beyond the value of the work that is done. That is my view of it, but I may be mistaken.

Q. What you mean to say is this: That from your knowledge of the work that has been done there it would seem to you that if the contractors had spent that much on the work as they claim to have spent, there must have been great waste somewhere? A. There must have been an extravagant expenditure that I do not understand.

Q. I suppose to make a calculation, after examination and measurement of the work, of what these contract rates would be, is a very easy thing? A. Yes, the engineers have got to re-measure everything very carefully.

Q. That could be done without mistake? A. Yes, depending a good deal on the engineer on the work according to the record he has kept of the work that is in the foundation.

Q. It could be made out very closely? A. Yes, according to how he has kept his measurements.



## SESSIONAL PAPER No. 57

Q. And when you come to get into the question as to whether the contractors men were efficient and whether their work was economically done, and whether the cost is reasonable or not, you are into a very wide question? A. Very wide.

Q. Upon which there would be any amount of difference of opinion? A. Oh yes.

Q. And which some tribunal, either a court of justice or an arbitration or a board of engineers, would have to be called in to settle? A. Yes, and they might take a different view. That is only my opinion.

Q. Again, in order to settle that, witnesses would have to be called and the ground would have to be inspected and a very long dispute could take place over it? A. Oh yes, I might hold myself that the contract prices were fair and some other engineer might hold that they were too low and it might be very contentious.

Q. At the time they were accepted, outside of the unwatering, the contract prices were regarded as fair and reasonable? A. As fair and reasonable.

Q. And if I remember rightly the contract prices for everything except the unwatering did not vary very much in the four tenders? A. No, except the excavation. The excavation was generally much higher than the three other tenders apart from Kirby & Stewart.

Q. But on the other hand the concrete was higher in Kirby & Stewart's than it was in one of the others? A. Yes.

Q. And the concrete price was a good price in view of what has been paid on other jobs? A. It was a fair price.

Q. You will remember that you made a report at the time upon it that it was a fair price? A. It was a fair price.

Q. In fact it was a price which had originally been put in for a small quantity, and presumably for a large concrete dam it might have been put in at a cheaper rate? A. Of course I explained that, in view of unseen difficulties that might be found there.

Q. As a matter of fact, leaving out the question of unwatering and the delays that occurred, it proved to have been a fair price for the concrete work? A. Yes, a fair price.

Q. You say that a final estimate based on contract prices is being prepared by the Engineer and has not yet been completed? A. Yes.

Q. With regard to the change in these words: "actual and reasonable cost"—in regard to the policy of the change whereby contract rates were abandoned and actual and reasonable cost accepted, was that made upon the authority of the Minister? A. Certainly, it could not be made otherwise.

Witness retired.

OTTAWA, SATURDAY, March 16, 1912.

PRESENT.

Honourable A. B. MORINE,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

RUDOLPHE DESROCHERS, Secretary of the Department of Public Works, re-called, already sworn:—

*Examined by the Chairman:*

Q. Upon the question of the Report to Council dated August 5, Mr. St. Laurent and Mr. Coutlee prepared a letter to the Minister dated July 12, 1911, on the margin of it I find this endorsement: "R.C. prepared 13/7/11"—is that made in your office? A. Yes, sir.

Q. Is that by you personally? A. That is made by the typist.

Q. It is an endorsement made in your office? A. Yes.

Q. You will notice that the words concerning the payment for work are those: "That the work be paid for at contract rates"? A. Yes.

Q. And in the letter dated 18th July, 1911, addressed to Kirby & Stewart by Mr. St. Laurent he quotes the terms of the recommendation which the Minister is willing to place before Council in these words: "That the work already executed be paid for at contract rates." That is an extract from the draft as it would leave your office according to the endorsement I have just read? A. Yes.

Q. Then you now produce a copy of the original report to Council as it came back to you from Council? A. No, from the Minister's office.

Q. As it came back to you from the Minister's office after the Minister had signed it? A. After the Minister had signed it.

Q. That shows, at the last page, or page 3, that it is altered from the original draft? A. Yes.

Q. In two respects; first, there was an alteration in typewriting, these words being put in after the words "work already executed" had been inserted these words: "which may be considered as absolutely necessary," in typewriting? A. Yes.

Q. Then there was a second alteration. After the words: "be paid for," instead of the words "at contract rates," the words appear: "at its actual and reasonable cost"? A. Yes.

Q. The words "and reasonable" are in handwriting? A. Yes.

Q. Whose handwriting was that? A. It was the Minister's.

Q. And it was initialled "W.P."? A. Yes.

Q. The original does not carry these initials "W.P." they were put there by the typist to show by whom the alteration in writing had been made? A. Yes.

Q. Have you looked up and seen the original papers? A. Yes, as Mr. Lake says this is from memory.

Q. With reference to the third sheet as it is altered in typewriting, do you know who authorized that third sheet to be typewritten again? A. I cannot say, and I have made inquiries of the typists who copied the third sheet to know if they had recollection of the change and they have none whatever. I thought perhaps they might be able to locate it by the handwriting.

Q. You don't remember having had the matter come before you at the time? A. No.

Q. And it may have got into the hands of the typewriter from the Deputy or Assistant Deputy Minister or in some other way? A. The paper itself would have come to me but it would not have been discussed with me.

Q. The paper would in the regular course have come to you A. Yes.

Q. You mean to say that no other official would give it to the typewriter to do over again? A. Not likely.

Q. You think probably it came from you? A. Yes.

Q. But there was no discussion about it? A. No.

Q. And you don't know from whom it came to you? A. I cannot say.

Q. Now there was a third stage, after that typewriting change had been made the insertion of the two words by the Minister took place? A. Yes.

Q. But that would not come back to you until after the recommendation had gone to Council? A. It would come to me first for transmission to Council.

Q. After being signed by the Minister it would come to you for transmission to Council? A. Yes.

Q. In the regular course you transmit all these reports to Council? A. Yes.

Q. It went over in the handwriting without any more typewriting? A. Yes.

Q. You have not anything upon file referring to the changes in the draft other than you have already given us? A. No.

Q. And you know nothing further about it? A. No.

Witness retired.

SESSIONAL PAPER No. 57

EXHIBIT 1.

DEPARTMENT OF PUBLIC WORKS, CANADA.  
RICHIBUCTO, KENT COUNTY, N.B.

TENDER FOR THE CONSTRUCTION OF AN EXTENSION TO NORTH BREAKWATER.

I,  
We, .....

the undersigned, hereby offer to the Honourable the Minister of Public Works, to furnish all the necessary materials, labour, tools, machinery and plant, and to execute and complete in a satisfactory and workmanlike manner, all the works required in connection with the construction of an EXTENSION TO NORTH BREAKWATER AT RICHIBUCTO, KENT COUNTY, N.B., according to the Plans and Specifications and form of Contract exhibited to <sup>me</sup><sub>us</sub> for the bulk sum of:—

.....  
.....(\$.....)

and hold <sup>myself</sup><sub>ourselves</sub> ready to enter into a contract for the due execution of the said works.

I,  
We, herewith enclose an accepted cheque on a chartered bank, payable to the order of the Honourable the Minister of Public Works, equal to 10% of the amount of the tender, as per terms of the advertisement and the specification for this work.

I,  
We, hereby certify that I,  
We, have visited and examined the site of the proposed works, or have caused it to be visited and examined by a competent person on <sup>my</sup><sub>our</sub> behalf, and have made all inquiries relative to the value of the materials and plant required for this work.

*Envelopes containing this Tender are to be endorsed "TENDER FOR EXTENSION TO NORTH BREAKWATER AT RICHIBUCTO, N.B." and addressed to the Secretary of the Department of Public Works, Ottawa.*

The signatures of parties tendering must be in their respective handwritings.

In the case of firms, the signature, post office address and occupation of each member of the firm must be given.

SIGNATURES, OCCUPATIONS AND POST OFFICE ADDRESSES OF PARTIES TENDERING.

.....  
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.....  
.....

Dated at....., this.....day of.....191

NOTE.—The security cheque will be forfeited if the person or persons tendering refuse to enter into a contract when called upon to do so, or fail to complete the work contracted for.

The Department does not bind itself to accept the lowest or any tender.

EXHIBIT No. 2

DEPARTMENT OF PUBLIC WORKS CANADA.

GIMLI, SELKIRK COUNTY, MAN.

TENDER FOR AN EXTENSION TO PROTECTION PIER.

I, .....  
We, .....  
the undersigned, hereby offer to the Honourable the Minister of Public works, to furnish all the necessary materials, labour, tools, machinery and plant, and to execute and complete in a satisfactory and workmanlike manner, all the works connected with the construction of an EXTENSION TO PROTECTION PIER AT GIMLI, SELKIRK COUNTY, MAN.,

according to the Plans and specifications exhibited to me/us for the bulk sum of:—

.....  
.....(\$.....)

and hold myself/ourselves ready to enter into a contract for the due execution of the said works.

I, .....  
We, ..... herewith enclose an accepted cheque on a chartered bank, payable to the order of the Honourable the Minister of Public Works, equal to 10% of the amount of the tender, as per terms of the advertisement and the specification for this work.

I, .....  
We, ..... hereby certify that I, We, have visited and examined the site of the proposed work, or have caused it to be visited and examined by a competent person on my/our behalf, and have made all inquiries relative to the value of the materials and plant required for this work.

I, .....  
We, ..... also offer to execute any extra work to that mentioned in the specification and to furnish all labour, plant and materials in connection therewith, subject to all the condition and requirements contained in your specification, and also to furnish labour, plant and materials for, and execute as may be required, any extra quantity of the same work described in the said specification or shown on the accompanying plans which may be ordered at the rates or prices I/we have affixed to the different items in the following table, and I, We, also bind myself/ourselves to accept these prices as those upon which any deduction in the quantity of the said works or materials may be made during the progress of the work.

SESSIONAL PAPER No. 57

SCHEDULE OF PRICES.

Items.	Description of Materials.	Unit of Measure.	Rate Per Unit.	Amounts.
1	Merchantable B.C. Fir plank 3' x 12' dressed one side.....	1,000 ft. B.M.	.....	.....
2	B.C. Fir curb, dressed one side and chamfered	" "	.....	.....
3	Dimension B.C. Fir, other than curb.....	" "	.....	.....
4	Round Tamarack Piling .....	Lin. ft.	.....	.....
5	Screw Bolts, Tie Rods with turn buckles and fastenings on lower ends of cross braces.....	Lbs.	.....	.....
6	Drift bolts, pointed only.....	"	.....	.....
7	Drift bolts, headed and pointed.....	"	.....	.....
8	Wrought iron straps and corner plates, not including fastenings.....	"	.....	.....
9	Ship Spikes.....	"	.....	.....
10	Washers, cast iron.....	"	.....	.....
11	Stone Ballast.....	Cubic yd.	.....	.....
12	Mooring posts with 2" iron rod and cast iron washer.....	Each.	.....	.....

N.B.—All materials to be measured and estimated in the work.

This schedule list not to be taken as an indication that extra work will be given. The Department reserves the right to do any additional work at any time by day's labour, if these rates or prices are considered too high.

*Envelopes containing this Tender are to be endorsed "TENDER FOR EXTENSION TO PROTECTION PIER AT GIMLI, MANITOBA," and addressed to the Secretary of the Department of Public Works, Ottawa.*

The signatures of persons tendering must be in their respective handwritings.

In the case of firms, the signature, post office address and occupation of each member of the firm must be given.

SIGNATURES, OCCUPATIONS AND POST OFFICE ADDRESSES OF PARTIES TENDERING.

.....  
 .....  
 .....  
 .....

Dated at.....this.....day of.....191

NOTE.—The security cheque will be forfeited if the person or persons tendering refuse to enter into a contract when called upon to do so, or fail to complete the work contracted for.

The Department does not bind itself to accept the lowest or any tender.

## EXHIBIT 3.

## DEPARTMENT OF PUBLIC WORKS, CANADA.

## BARE POINT, IN THE HARBOUR OF PORT ARTHUR, ONT.

## TENDER FOR CONSTRUCTION OF A BREAKWATER.

I,  
 We, .....

the undersigned, hereby offer to the Honourable the Minister of Public Works, to furnish all necessary material, labour, tools, machinery and plant, and to execute and complete in a satisfactory and workmanlike manner, all the works connected with the construction of a BREAKWATER AT BARE POINT, IN THE HARBOUR OF PORT ARTHUR, DISTRICT OF THUNDER BAY, ONT., according to the Plans and Specifications exhibited to <sup>me</sup> <sub>us</sub> for the prices mentioned in the schedule list, and hold <sup>myself</sup> <sub>ourselves</sub> ready to enter into a contract for the due execution of the said works.

I,  
 We, herewith enclose an accepted cheque on a chartered bank, payable to the Honourable the Minister of Public Works, for the sum of forty-five thousand dollars (\$45,000.00) as per terms of the advertisement and the specification for this work.

I,  
 We, hereby certify that I, We, have visited and examined the site of the proposed works, or have caused it to be visited and examined by a competent person on <sup>my</sup> <sub>our</sub> behalf, and have made all inquiries relative to the value of the materials and plant required for this work.

I,  
 We, also offer to execute any extra work and to furnish all labour, plant and materials in connection therewith, subject to all the conditions and requirements contained in your specification but not mentioned therein; and also to furnish labour, plant and materials for, and execute as may be required, any extra quantity of the same work described in the said specification or shown on the accompanying plans. which may be ordered at the rates or prices I, We, have affixed to the different items in the following table, and I, We, also bind <sup>myself</sup> <sub>ourselves</sub> to accept these prices as those upon which any deduction in the quantity of the said works or materials may be made during the progress of the work.

SESSIONAL PAPER No. 57

SCHEDULE OF PRICES.

Items.	Description of Work.	Unit of Measure.	Rate per Unit.	Approximate Quantities.	Amounts.
1	Dredging for foundation.....	Per c. yd.		56,453	
2	Stone in foundation.....	"		25,939	
3	Stone ballast in cribs.....	"		60,349	
4	Stone rip-rap on seaward face.....	"		25,840	
5	Stone cemented between footing blocks.....	"		1,275	
6	Footing blocks.....	"		2,430	
7	Mass concrete.....	"		15,744	
8	Iron in drift bolts.....	Per lb.		264,932	
9	Iron in spikes.....	"		6,612	
10	Machine bolts, nuts and washers.....	"		87,513	
11	Iron in lifting rings.....	"		16,590	
12	Timber framed in work, all lengths except 30 ft.	Per M.B.M.		3,062,561	
13	Timber framed in work, 30 ft. lengths.....	"		720,720	

N.B.—All materials to be measured and estimated in the work.

This schedule list not to be taken as an indication that extra work will be given. The Department reserves the right to do any additional work at any time by day's labour if these rates or prices are considered too high.

*Envelopes containing this Tender are to be endorsed "TENDER FOR BREAKWATER AT BARE POINT, PORT ARTHUR HARBOUR, ONT.," and addressed to the Secretary of the Department of Public Works, Ottawa.*

The Signatures of persons tendering must be in their respective handwritings.

Signatures, occupations and Post Office addresses of persons tendering. (In case of firms, the signature, occupation and Post Office address of each member of the firm must be given).

.....  
 .....  
 .....  
 .....

Dated at ..... this ..... day of ..... 191 ..

NOTE.—The security cheque will be forfeited if the person or persons tendering refuse to enter into a contract when called upon to do so, or if he fail to complete the work contracted for.

The Department does not bind itself to accept the lowest or any tender.

Other Exhibits re this subject will be found with Report of Commissioners, in Vol. I.

PUBLIC SERVICE COMMISSION

1912

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EVIDENCE

*RE*

SOREL SHIPYARD.

Marine and Fisheries Department.



OTTAWA, MONDAY, March 11, 1912.

PRESENT:

Honourable A. B. MORINE,  
*Chairman,*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,  
*Commissioners.*

Examination of WILLIAM S. JACKSON.

*Examined by the Chairman:*

- Q. What is your full name? A. William Smith Jackson.
- Q. You were born in Scotland, I understand? A. Yes.
- Q. Where, Dundee? A. No, Ayreshire.
- Q. How old are you, Mr. Jackson? A. Fifty years.
- Q. You have been for two years resident in Canada? A. Yes, within a month or two. I am not speaking to within a month.
- Q. You are by trade a draughtsman in the shipbuilding trade? A. I am a ship-builder.
- Q. A ship builder, that is the description of your trade? Yes, sir.
- Q. And have been a practical yard manager? A. Yes.
- Q. And a draughtsman? A. Yes.
- Q. Gone through all the grades of ship building? A. Yes, sir.
- Q. Wood and steel and iron ships? A. Yes, sir.
- Q. I suppose you began your trade in the days of the wooden ships? A. No, wooden ships were done before I started. We have done lots of repairs, and we have built a little yacht and things, but there were no such things as wooden ships in my time.
- Q. You know all about the woodwork needed in ships to-day? A. Yes.
- Q. In connection with that have you done any work or anything in connection with the building of dredges? A. No, only repairing dredges.
- Q. You have done repair work on dredges? A. Yes, sir.
- Q. And during the past year you have been occupied at Collingwood as a draughtsman in connection with some dredges being built there for the Dominion government? A. Yes, I have estimated the cost of the dredges.
- Q. Estimated the cost of the dredges? A. Yes, made up the tender for them.
- Q. Have you had anything to do with the draughting of them? A. Yes, we have designed a dredge for the Department of Marine and Fisheries.
- Q. How long have you been at the ship-building trade? A. Including my apprenticeship, for over thirty years.
- Q. You were employed by Gourlay Bros. & Co., Limited, Dundee? A. Yes, sir.
- Q. Engineers, shipbuilders and repairers? A. Yes.
- Q. You were there for fifteen years as yardmaster? A. Yes.
- Q. And prior to that, you were there in various capacities, in various branches of the yard? A. Yes.
- Q. You have been good enough to give me a copy of a number of testimonials you have brought out with you? A. Yes.
- Q. And two years ago you came to Canada? A. Yes.

Q. And went right straight to Collingwood? A. Yes.

Q. Did you have a special reason for coming out? A. Yes, because our place went into liquidation.

Q. That was in Scotland? A. Yes, and shipbuilding was very slack, and I couldn't get anything to do and came out here on spec, and had good letters of introduction.

The CHAIRMAN.—Now, an arrangement is being made with Mr. Jackson to go to Sorel for the purpose of assisting in an investigation which is being made at Sorel. He is to act in conjunction with Mr. T. H. Schwitzer, mechanical engineer, who is already there for the purpose of inquiry.

Witness retired.

SESSIONAL PAPER No. 57

**Inquiry by the Public Service Commission in connection with the Sorel Government Shipyard, held in Sorel on the 13th day of May, 1912, in the presence of Messrs. Ducharme and Lake, Commissioners.**

Mr. L. G. PAPINEAU, duly sworn.

*By Mr. Ducharme:*

Q. What is your name?—A. Louis Gustave Papineau.

Q. What is your age? A. Fifty-seven years of age next July.

Q. What is your profession? A. Civil engineer and land surveyor.

Q. How long have you been employed for the government? A. I have been employed for thirty-four years.

Q. In what capacity? A. First as chairman, then as assistant engineer, then engineer.

Q. You were always in the engineering department? A. Yes.

Q. When did you come to the Sorel yard? A. Four years ago—in 1908.

Q. As what? A. As assistant director.

Q. And you are director since what date? A. Since 1910, the 13th May.

Q. Had you any previous experience in shipbuilding? A. No, I have had a general experience or knowledge of navigation on canal work. I was several years on the Lachine canal. I had a certain knowledge of navigation in this way, but nothing in the way of practical shipbuilding.

Q. What is your salary? A. I receive \$1,300 a year.

Q. Two years ago you were appointed director. Is there any change in the yard since that date, or is the same system going on as before you came? A. It is practically the same system now as before my coming here. There have been a few changes in the way of paying the men by cheques, but these are details. There has been no radical change.

Q. Have you a cost system? A. Yes, we have a cost system. It existed before I was here, though.

Q. Does it work well? A. Yes, the system is about complete. There is one improvement though that I would like to see in it. It would be to work out the cost for each month with an indirect cost for that month, instead of having to wait until all the accounts are distributed and the cost established for that month. That system takes too long before we get at the indirect cost to be added to the direct cost, the wages, &c. Starting from the experience of the past two years, for instance, we could establish what the cost is, say for February or March, or any other month, and apply that indirect cost at once; the moment after the wages, or direct cost is known; so we would have the result and cost of any particular job quicker than we have now.

*By Mr. Lake:*

Q. How long do you have to wait to get that now? A. We have to wait sometimes a month or five weeks.

Q. What direct benefit do you think you would get to have the change you speak of? A. It would be easier to follow the cost of the work. This cost could be kept up to the mark and within reasonable reach for quick information, figures, &c.

*By Mr. Ducharme:*

Q. What do you call indirect cost? A. We call indirect cost that part of the expenses coming from the administration, the heating, lighting, the power, the night-watch, and the cost of foremen.

Q. Do you apportion this indirect cost to jobs in each department?—A. Yes, we apportion or distribute it to the different jobs.

*By Mr. Lake:*

Q. Is the amount paid to every man in the yard distributed day by day to the several jobs —A. Yes, for instance, suppose we start to build one such boat as you saw here, there would be a job-number issued by the draughting department to the chief carpenter, who would have, say four or five men working on that job. These men's wages would be charged to the building of that boat; then if that job has cost \$20, \$40 or \$50 in wages, there would be added to that boat a proportion of the cost of the joiner shop and of the general expenses of the shipyard. This might be adding 50 per cent or 55 per cent to the cost of wages proper.

Q. Do you mean that the time of every man in the yard is apportioned to the different jobs in the yard every day? A. Yes.

Q. Do you find that every man's work and time is accounted for by the reports from the foreman? A. Yes, that is, as a rule.

Q. Do you find that it works so in practice? A. Yes, the cost department takes care of the time given.

Q. Do you mean this should be done every day, or do you mean that it is done every day at present? A. Well, the labour is charged every day, that is, distributed every day, but in the final cost of a job we have to add a portion of the general expenses of the yard. And to have that additional cost, the cost of the yard for the whole month has to be found out, and then if we have, say \$10,000 spent for wages on the several jobs, we have besides that a certain amount for power, for light, for heat, general supervision, for draughting, &c., well that must be apportioned with the total figure of wages for that month.

Q. Can you easily average a monthly amount for general expenses? A. Yes

*By Mr. Ducharme:*

Q. When you have apportioned the general cost, do you include the cost of wear and tear on your machinery, repairs to the plant, and so forth? A. No, we do not provide for that.

Q. You merely count the actual disbursement? A. Of course the repairs and wear and tear is taken account of in this way—we keep the plant in working order and charge the cost of this to the jobs.

*By Mr. Lake:*

Q. I understand that what you would like to do, or see done, is a system taken from past experience of estimating the cost of administration, say, for February, and while apportioning the work of the different jobs in hand, you would at the same time apportion the estimated cost of administration during that month, instead of having to wait a month or six weeks to find the actual cost?—A. Yes, that's it exactly. At the end of the work the cost would be estimated and rectified. Of course, it was not started that way in the beginning, but now that the experience has lasted long, it could be done.

*By Mr. Ducharme:*

Q. You say that the labour is charged, or entered in the books every day. Is that done from those time-clocks?—A. It is entered in two ways. There is the pay-list which is made every fortnight. The timekeeper knows everybody who has been absent. He starts from the first of the month with the whole list of employees, and he knows each day from the returns of the time-clocks who is absent, and he strikes a day off in the time-book. At the end of the fortnight he makes the pay-list on which we pay the men.

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Q. The timekeeper makes his statement from the time-clocks. How does he get those clock returns? A. At each clock there is a keeper who watches the men while they are punching the clock, and sees who does and who does not punch.

Q. Have you many of those clocks? A. We have seven of them.

Q. Are they all on the same system? A. Yes, all the same. If a man is absent, his card remains in the first cupboard. All the cards are put in the next cupboard by the men themselves. After the time for punching is past, the keeper of the punch-clock makes a list of the cards, and what remains in the cupboard may be five or ten. He brings that list to the timekeeper, who makes an entry in his book, stating what man or men are absent. At each clock the same thing is done over again. The keepers bring the numbers of those who have been absent.

Q. Supposing the punch-keeper should, by mistake or otherwise, forget to report whether certain men are absent, would it be found out by this system? A. It would not be found out except by looking at the cards at the end of the day.

Q. Is this done as a rule every evening? A. No.

Q. Every man is assumed to be at work who is not reported absent? A. Yes.

Q. What is the other way of checking? A. Now, the foreman has, of course, a list of the men working under him, and he has to account for the time of these men and show on a certain sheet where they have been working, on what job, &c. Those sheets are brought to the cost department the morning following and compared with the lists of the timekeeper.

Q. The timekeeper makes up his list each day? A. Yes, each day.

Q. And every day that sheet is made up before 6 o'clock? A. He brings it next morning.

Q. At what time? A. By the time they open—about 8 or 8.30 a.m. The assistant looks over these sheets and charges the names to each job. He also compares them with the list of absent workmen.

Q. How does the cost office get the names? A. He has to compare with the lists.

Q. Which lists? A. He compares with the timebook of the timekeeper's.

Q. Every day? A. Yes, every day.

Q. And he sees that the names returned to him total up with the lists? A. Yes, this is done every day.

Q. Does the punch-keeper report in any way to the foreman what men are absent? A. Well, I do not think this is done in a systematic way.

Q. You say that the foreman is supposed to know what men are working and on what job? A. Yes.

Q. Does the timekeeper insist that every punch-keeper shall give him the list of absentees every day? A. Yes, every day.

Q. But the timekeeper has no certainty that the punch-keeper has not forgotten names of some absentees? A. I think they follow this pretty thoroughly.

Q. If the punch-keeper should happen to forget to note certain absentees on his list, then those absentees would appear as present and at work? A. Yes, I suppose so, only the cost office not having them on their list would inquire of the timekeeper about them. If they found two or three men less on their list, the timekeeper would have to find out how he has two or three men more on the list.

Q. If the timekeeper could go to the clocks and take out the cards, he could find out? A. Yes. We have been discussing the means of making sure that the time is kept correctly, and we have happened on the idea of keeping two sets of cards, and change every other day, so as to bring back every other day the cards that had served the previous day. For instance, we would issue one set of cards to be used, say, the 1st of June; well on the evening of the 1st, those cards would be taken up and put in the cupboard and a new set used on the 2nd. The timekeeper could go over the first cards used and make up his timebook. Then on the 3rd we would put back the set

that had served on the 1st of June, and the timekeeper would check all the cards which had served on the 2nd.

Q. This alternate system would prove more satisfactory and more accurate? A. Yes. At present we have about 750 men working. This means 750 cards and four punchings each day, which means a good deal of work to do every day to have the lists ready for pay day; while by the alternate system, the timekeeper would have the cards of the one day to check at the end of the day and ready for his timebook in good time.

Q. It seems to me that there must be many men working here whose salary cannot be taken account of in the cost account. For instance, those known as engineers, firemen, heaters, &c. There must be lots of men working in this establishment whose time is not charged against particular jobs? A. Those go in the indirect cost. For instance, all the expenses of the stores, these are not charged direct to each particular job. They are charged to the indirect cost.

*By Mr. Ducharme:*

Q. You said that if there was any mistake between the checking of time between the timekeeper and the punch-keeper it could be rectified by the cost department. How can that department rectify mistakes between the timekeeper and the punch-keeper concerning men who really do not belong in the cost department? A. All the men of course are charged every month. The cost department know they have to charge these men. The watchman, for instance, or firemen, &c. The clerks in the stores have to sign the attendance book.

Q. Can this be checked? A. The timekeeper does the checking. This checking is complete.

Q. What about the men who fall under general expense account? A. Each of these men is under a certain foreman, except the watchman. The foreman has to account for their time.

*By Mr. Lake:*

Q. It seems to me that these men cannot be checked by the cost department because it is not the business of that department? A. Well, the cost department has to show where all the expenditure goes.

Q. Do they take account of all expenses? A. They have to show where every dollar goes.

Q. The cost department will divide up all the expenditure made, but coming to the checking of men—A. When I say that there is a check, a complete check, I mean that an error might be made and not appear in the time-book, but it would probably be found out. There might be an exception now and then, but errors are generally found out.

Q. I do not mean the checking in detail, but as a complete checking? A. I am pretty sure the checking is completely satisfactory. For instance, in the machine shop, Mr. Bilodeau, the chief machinest, has men working under him; besides that he has charge of the firemen, who do the firing of the boilers. These men are under his charge and he accounts for their time. He does not charge for a particular job, say, turning and shafting for such and such a job, but if any were absent it would be shown in his time-book or time-sheet.

Q. He would report those absent? A. Yes.

Q. What are your duties as regards the relationship with the yard and the Department of Marine and Fisheries? A. I understand my duties to be the general supervision of all the work going on.

Q. You have full control of the personnel of the yard? A. Yes. I am in a certain way a witness here for the department of the work going on.

Q. You are responsible to the department in seeing that the whole yard is run as a business establishment? A. Yes. We have to submit estimates each year for the expenditure to be done here. We have to give an annual report

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*By Mr. Ducharme:*

Q. You draw a programme of the work to be done each year? A. Yes. I suggest to the department all the work that should be undertaken.

Q. As to new work, new construction, new dredges, tugs and scows? A. Yes. But to a certain extent this is done in conjunction with the superintendent of the dredging fleet.

Q. You and the superintendent meet and discuss the programme of the year? A. Yes. For instance, the superintendent, Mr. Forneret, may require, say, two additional scows or one additional tug, &c., or some other item of construction, and this is discussed between us.

Q. Does he inform you of needed repairs? A. Repairs are established in another way. About a month before the end of the season, we get a report from all the engineers and captains on board vessels of the fleet telling us what their vessel will likely need in the line of repairs during the winter season.

Q. Are the reports made to you through Mr. Forneret? A. No, they are made direct to me, but Mr. Forneret gets similar reports from his captains during the summer season. He gets a copy of those reports and I get a copy.

Q. You then meet together? A. We then meet together and look over the reports, and Mr. Forneret is in a position to say: well, so and so is needed and ought to be done, or, this may well wait for another season. Those reports establish what repair work is to be done during the winter time.

Q. Does this mean that, having agreed with him as to what is desirable and should be undertaken, you draw out a report for the Department of Marine and Fisheries and submit it to them with estimated cost, &c.? A. For the repair work we have been in the habit of submitting estimates. From past experience we know that the average repairs and maintenance for each boat will be about so much, and we ask in the estimates for a bulk sum, and then we get the necessary money to pay for those repairs.

Q. With regard to construction work, you submit also estimates to the department who approves them? A. Yes.

Q. Do you find that the expenses for which you submit estimates are getting higher, or are they stationary? A. Well, they are pretty stationary. There has been a slight increase sometimes perhaps. Of course, all years are not alike. If we make thorough repairs to one vessel one year, the next year that boat will not require as much repairing.

Q. But suppose each year the fleet is getting larger, there are more vessels to repair? A. Yes, there are more vessels to repair. For new construction, everything was about the same until two years ago. Then there was a large increase in new work, because the idea was to start building a new dredging fleet for the increased depth of the channel. The 30-foot channel was nearly completed, except at a few places, and it was determined to start the dredging to 35 feet. That meant five feet additional dredging in the channel. To do that, it was decided to start building new dredges with a supply of tugs and scows to help the work of those dredges, so there was a big programme of construction laid out two years ago.

Q. Then the estimates are approved by the department, and when the programme is also approved, you become wholly responsible for the carrying on of the work on that programme? A. Yes. Of course, the expenditure is well checked by the department, in this way, that everything we purchase has to be purchased upon a requisition sent from here to Ottawa to the purchasing agent. For instance, we may have to buy engines for one tug or dredge. We make a requisition and send it to Ottawa. We also send them a specification of what the engine is going to be, or what it should be, and then at any time they may stop the purchasing of that particular piece of work or the supply of other material, so that they keep checking our expenditure in that way.

Q. Do they consult with you as to each piece of work? A. If they do not like our programme or our way of doing the work, they may strike off a particular piece or strike off the whole work entirely.

Q. Without consulting you? A. Sometimes after and sometimes without consulting us. If I saw a thing that would be very important, I would call their attention again to the matter. It is my duty to forward all requisitions for work and for material.

Q. That is all purchased through the purchasing agent at Ottawa? A. Yes, except a few small items which they allow us to purchase here in the neighbourhood when convenient, such as hay, oats, a few articles of furniture, tools, &c. But each time a requisition is sent covering the order. Another part of my work is to sign accounts and pass them for payment.

Q. This means that you become responsible for the accounts? A. Yes. Of course the checker of goods gives his certificate also.

Q. You certify the pay lists, I suppose? A. Yes. Then we have also to certify the accounts which come up for what we call the outside appropriation, for work done, say, for the improvement of the dredging fleet. That is a special item under which new construction is carried on. All the work done under that heading has to be accounted for, and the cost department prepares detailed accounts of these jobs, and these detailed accounts are sent to Ottawa each month. The same thing if we have work to do, say for the Department of Public Works, or some other outside service. They may sometimes send us work to be done here. Accounts have to be prepared and sent to show what has been spent on these works, and the amount is refunded out of this outside appropriation to the shipyard fund.

*By Mr. Lake:*

Q. What is your connection with the dredging fleet? Do you provide them with supplies, &c.? A. Yes, we provide them with supplies from the stores here.

Q. Do you have to see to the fitting up of the fleet? A. That is not under my control.

Q. You repair the fleet and build new scows, tugs, &c. Do you pay the men employed in that connection? A. The paymaster is the same. All is charged in the end to the Sorel Shipyard account. As for the St. Lawrence Dredging fleet, we are the bookkeepers in a way, because their accounts are made here, but they look to the certifying of their pay lists, of their board accounts, to the certifying of accounts for things that they get elsewhere than from the yard. For instance, they will have 500 men in their employment (this is a rough figure), they have their lists, the assistant or superintendent of the fleet makes his list with the clerk, he hands this list to the paymaster, who is the same paymaster for the shipyard; the paymaster gets the money from us; we write to Ottawa to get the money here from the bank; we issue a check to the paymaster, the accountant and myself; the paymaster draws the money from the bank and pays the men in cash, in pay envelopes. He goes from one end of the fleet to the other end and pays the men. Then the pay list is signed and certified, turned in to me and the accountant, then it is forwarded to Ottawa. It then becomes part of the expenditure of the Ship Channel Fleet.

Q. And it appears in the books as distinct from the Sorel shipyard? A. Yes.

*By Mr. Ducharme:*

Q. Then you are Director, Accountant and Paymaster. You are acting in these 2 or 3 capacities in the shipyard? A. To a certain extent, yes.

Q. You are also Director, Accountant and Paymaster for the Ship Channel Fleet? A. Yes.

Q. But the two accounts are kept distinct at Ottawa? A. No, it is one common bookkeeping.



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Q. Is the appropriation by parliament for the Ship Channel Fleet or for the Sorel Shipyard? A. It is for the Ship Channel Fleet.

Q. There is no distinct appropriation for the Sorel Shipyard? A. No. Only in the details of the estimates we may sometimes mention: "so much to be spent for the maintenance and working of the Sorel shipyard."

Q. What about the employment of the men? A. The employment of men is another matter. Men are recommended to me by their friends, maybe members of parliament, or the defeated candidates, &c. A certain number of persons have a right to recommend people here.

Q. Who has that right? A. The members of parliament, first of all.

Q. They have that right on what grounds? Or what authority? A. Well, it is an unwritten law.

*By Mr. Lake:*

Q. For both the Ship Channel Fleet and the Sorel Yard? A. For the Channel Fleet I have nothing to do. But for the Sorel Shipyard the men apply to me for work.

*By Mr. Ducharme:*

Q. You have the full charge of all the different branches here. All the office work is under your control, the draughting, the yard, the machinery, the construction, &c.? A. Well, yes, in a general way; everything is under my control. But I think the accountant considers himself as being in a way under instructions from Ottawa more directly.

Q. But if the accountant does not fulfil his duty, who is responsible? A. Well, he is under my control to that extent.

Q. So is the cost accountant under your authority, the secretary, &c.? A. Yes.

Q. Do you see that these officers do their duty? A. Yes. I see to it in a general way. I go to their offices, or get them to come to mine when I want information, details, &c.

Q. Whenever you make any reports to the department, you sign those reports? A. Yes. I do not know of any reports not being signed by me. So far as I know, nothing has ever gone without my knowledge. Sometimes there may be a little correspondence direct with the accounting branch of the department, but only on matters of detail.

Q. The reports of the yard officers to the department are submitted to you? A. with the exception of the accountant's, who sometimes may write personally.

Q. You sign the annual report? A. Yes.

Q. You were speaking of the estimates to be made. These estimates are made by you for all kinds of work. Are they suggested to you, or do you suggest them yourself? A. Certain things are suggested by us, others by the superintendent of dredging.

Q. Suppose they want to build a dredge, you do not decide upon that yourself? A. That decision comes from the department.

Q. If they decide to build, they ask you for an estimate? A. The last time we prepared an estimate of that sort, there was a kind of conference between the then Deputy Minister, Mr. Desbarats, the minister, Mr. Brodeur, Mr. Forneret and myself, and the whole programme was discussed to find out what would be necessary for the improvement of the dredging fleet. It was decided then that four dredges should be built with the necessary tugs, scows, &c., to go with them. Then it was thought they could not be done quick enough at Sorel, so it was determined to ask for tenders for two of the dredges, and the other two were left us to build. The estimated cost of the dredges, tugs, &c., was mentioned in that programme, and it was submitted to the minister and approved. That constituted the work for two years to come.

Q. Who gave the contract for the other two dredges? A. That was asked from Ottawa. We had nothing to do here in connection with those other two dredges, except supply the information, data, &c.

*By Mr. Lake:*

Q. Did you draw up the plans and specifications for those two dredges for the department? A. No. We gave them copies of the plans of those we were building, showing the size and draught, the weight and the general arrangements. The naval architect of the department had new plans drawn and new specifications, making the vessels different in size, in power, in size of buckets, &c. The cost of them, however, is included in our appropriation.

Q. When the department make a change in the plans, that would increase your estimates, would they do that without consulting you? A. No, for work done here they would submit the change to me.

*By Mr. Ducharme:*

Q. About repairs, how do you know what repairs are required. How do you find that out? A. If the superintendent of the fleet is here, he advises me. If he is not here there will be somebody, the mechanical engineer or a man who knows what is going on here during summer time, who can tell what dredge or tug really wants repairs. When the boat is here, of course, some of our staff can act as the technical designer of the fleet. For instance, an engineer may report that his boiler needs repairs, well, we have a man here who will inspect the boiler and see what extent of repair may be necessary. It might be necessary to make a new bottom, or necessary to remove some tubes, or do some other alterations, our men here can judge of what is required and we determine and decide upon what has to be done.

Q. When do you make your estimates of repairs required to all dredges here in the yard? A. The estimates are made the year before.

Q. How do you make estimates of repairs to dredges which are not here under your eyes? A. We base those estimates on those of previous years. For instance, we are working now on estimates voted before the 31st of March last, and the estimates asking for that money were prepared almost a year ago. We could not know a year ago of what would happen to the boiler of tug so and so.

Q. What do you do in the case of accidents? A. Unless a very large sum is required, we take it out of the general fund.

Q. And if you ask too little for what is really required? A. There would be means of getting the money. If a dredge was to blow up, or something like that, we could get the money for needed repairs.

Q. All the heads of the departments are under your control. Do you visit the shops, the sheds, &c., very often? A. To a certain extent, not very often, but I go about and see what is going on now and then.

Q. Do you go once a day? A. I do not keep track of how often I go about.

Q. Do you go once a week, or once a month, once in six months? A. I have never kept track of the number of visits I make through the yard.

Q. You would surely go once a year? A. Yes, I think so.

Q. Sometimes you have to engage men on the recommendation of deputies, or members of parliament. Have you engaged any sometimes when you did not want them? A. I cannot say that, but I must say there is always a kind of pressure brought to bear in getting men hired here.

Q. I do not mean in the yard only, I mean in your offices? A. Some appointments have been made without my knowledge or recommendation at all.

Q. How many of these appointments have been made? A. Not a great many, but the appointments that were made at the beginning of this year were to replace men who had been dismissed. They were made direct from Ottawa without my being consulted.

Q. Those appointees took the place of others who had been dismissed? A. Yes.

Q. Have you any more men than you want in the offices, such as the accountant's office, the cost department or in the stores? A. I do not know of any case.

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Q. Have you any complaints to make against any employees for bad conduct, misbehaviour or inefficiency? A. Well, there are two or three who would require the necessary training for the work that they have to do. They are inefficient. If one man does not properly do his share of the work the trouble falls on the others.

Q. Have you any complaint to make as to the bad conduct, or misbehaviour of men? A. No, nothing very serious.

Q. Was your attention ever called to workmen who were not reported absent when they were absent? A. No. There was once a case of a mix up in this line. One man was rather new in the yard. He must have taken his card after punching it and put it in his pocket. The punch-keeper did not report him as absent because his card was not there at all. He did not show his card as absent or otherwise. The timekeeper put the man down as present. The cost department next compared with the time-book and found the man was in the time-book, although not reported on the job, so they looked to see where he might be. He was really absent.

Q. This was reported to you? A. Yes.

Q. When the sheets come from the punchkeeper and there are absentees, are those reported to you? A. No, never. Except if a man is absent without reason, when the foreman may make me a report and say: "so and so leaves the work without cause." In that case we take the man's card away entirely.

Q. But as a rule the absentees are not reported to you? A. No.

*By Mr. Lake:*

Q. In a case like the one you mentioned, was the absentee paid? A. No.

*By Mr. Ducharme:*

Q. When you make your estimates as to how much money you want during the year, do you take into consideration the stock you have on hand? A. No, not in any special way, because the stock has been a constant quantity from year to year.

*By Mr. Lake:*

Q. How do you know that? A. Because we keep renewing it all the time.

Q. Have you taken stock of what is on hand every year? A. No, but we keep renewing and keep buying the same quantity every year.

Q. You suppose that the amount of stock on hand will continue about the same? A. We know if we draw more from the stock in one year than in the other.

Q. But it may mean that you are accumulating a certain amount of stock without knowing it? A. Yes, that is so. But we know of the large items. If we purchase enough steel to build a whole dredge, we expect that we will have more stock at the end of the year than if we were not purchasing any.

*By Mr. Ducharme:*

Q. You have so many dredges to build; you have so many pounds of steel to buy; do you order that irrespective of what you have in stock? A. No. When we make a requisition for a certain construction, we take into account what we have in stock.

Q. Do you get that from your books? A. Yes, our books will show that. For instance, the Construction Department has a list of materials, steel, angles, boiler plates, &c., on hand. Suppose we want so many tons of plates of a certain size, and we know what we already have in stock—our books show that—we go over the list and find that we have so many tons already, we do not order that quantity.

*By Mr. Lake:*

Q. You take it for granted that your books show the stock on hand? A. Yes.

Q. How often have you taken an inventory and compared it with your books?—A. During the last four years, we have not taken any inventory. I think that the last general inventory was taken in 1905. None has been taken since.

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Q. Was that before the Yard was taken out of the Department of Public Works?  
A. I do not know exactly when the transfer was made from one department to the other.

Q. Has the department at Ottawa ever reported to you that there had been mistakes in your estimates, or anything at all about errors of any kind? A. I do not know of any instance when that has ever happened. I do not remember the department ever calling my attention to errors. I know of their striking off a requisition for a tug that we wanted to build once, that's all.

Q. You are aware that you have on hand a quantity of old iron, that has been bought some 15 or 20 years ago? A. Yes, I know there was a large quantity of iron when I came here.

Q. Can you explain anything about that? A. No, I don't know the particulars.

Q. In that case, more was ordered than was necessary A. It is hard for me to say that, as I had nothing to do with the Yard at the time.

Q. At least, it was more than was wanted. From the experience you have, how long will that quantity of iron last you? A. I could not tell that off-hand.

Q. How about the lumber? A. The lumber that is here, I may say, I am responsible for. That is the white pine.

Q. How many thousand feet are there here? A. There is about a million feet of white pine.

Q. How much is it worth a thousand? A. We carry it at \$40 a thousand. When I came here, we calculated to make a reserve of the lumber so as to have dry lumber of 2 or 3 years standing. This has been going on for 4 years. This is the 4th year.

Q. How much do you buy of this lumber? A. Something like 75,000 or 80,000 cubic feet of logs each year.

Q. Every year? A. Yes, every year.

Q. You keep it on hand to get it dry? A. Yes. This year we put in less.

Q. Where do you get this lumber? A. It is purchased in the surrounding district here.

Q. From different parties? A. Yes.

Q. Can you give the names of those parties A. One firm is Richard & Boisvert, of Pierreville or Yamaska. Another one is E. Courchesne, from Pierreville or Yamaska, I am not sure.

Q. Any other names? A. Messrs. Taschereau & Godette from St. Ours. Those three firms supply the bulk of the lumber we buy.

Q. You carry it at \$40. a thousand feet. How much do you pay those people for it? A. Sometimes 23 cents, sometimes 25 and sometimes 26 cents a cubic foot, delivered here.

Q. What you have on hand, is it a million cubic feet? A. No, it is board measure.

Q. Have you any idea of the value of the stock you carry on hand, on an average?  
A. Now that the inventory has been taken, it shows \$300,000.

Q. Had you any idea of that amount before the inventory was taken? A. I did not think it would amount to so much. Of course the inventory was taken at a time when we have the greatest supply on hand because in the fall we generally get in supplies that will be needed for the outfitting of the channel fleet. The boats begin to take in supplies at the end of March, and generally April and the beginning of May. This last month they have taken on a large quantity of several things. Now the stock is depleted. It is less than a month ago.

*By Mr. Lake:*

Q. What do these stores consist of? A. Mainly of rope, wire rope, sometimes an anchor or two, we supply oil, lanterns, soap, blankets, sheets and mattresses. The boats also take on a certain amount of coal, crockery and all other supplies for the outfitting of a dredge or tug. We have at present in stock an item which we do not generally have, it is 50 steel buckets that are intended for dredge No. 26. This is a

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special contract that was given out by the Department and that represents at least \$16,000. They were finished during the winter.

Q. When was the contract given out? A. Some time last summer, in August or July.

Q. Who got the order? A. The Montreal Steel Works Co.

Q. What was the cost? A. It comes to about 6 cents and a fraction per pound. That includes not only the casting but the boring, the drilling for the shafts, and the putting on of the steel teeth.

*By Mr. Ducharme:*

Q. About the stock taking, this is not the proper season for taking stock, is it? A. It is hard to say when the best time would be. We had thought that January would be the best time. It would be the best time for stores outside, but for the inside it would be a bad season.

Q. Do you think July or August the best season when preparing for the work? A. Well, we work all the time.

Q. When do you prepare your estimates? A. The estimates are made in the Fall, generally in September.

Q. Do you not think that, before preparing the estimates, it would be time to take stock. Would not July or August be the best months for stock taking? A. They might be. Again perhaps November might be better.

Q. Do you not think it would be a good thing to have stock taking carried on all the time? A. Certainly, if it did not cost too much. Stock taking means a lot of work to do and costs a good deal.

*By Mr. Lake:*

Q. I would like to know what are the duties of your chief officers? A. The assistant Director is also the chief of construction.

Q. He is the superintendent of construction? A. Yes, I might call him the superintendent of construction.

Q. Have you any other officers in that position? A. No.

Q. What is the name of the assistant Director? A. Mr. Terrault.

Q. What are his duties in that connection; what do they consist of? A. He takes knowledge of what the work of the foremen is, or should be, what work they have on hand each day. He sees to the issuing of the job numbers, that is the distribution of the work, so that the Cost Department will charge to the proper places the work to be done. Then he decides on all the details of the work, when it is to be begun, whether a boiler will be tested in that or this manner; he consults with the foremen and directs them as to the best way of doing the work.

Q. He is supposed to see that the foremen work in entire conjunction with one another? A. Yes.

Q. That would entail his being constantly about the Yard. A. Not necessarily, but he has to be around now and then.

Q. Is he supposed to exercise a general supervision over the foremen and see that the work is done properly? A. Yes, he gets their reports and sees how far advanced they are in the jobs and so on.

Q. Would it be part of his work to see that they were actually keeping the men constantly at work; would he have general authority over the foremen? A. Yes.

Q. He ought to be frequently exercising a personal inspection? A. When he feels that a certain job has to be supervised more particularly, he generally appoints one or two of his employees to attend and be present most of the time. For instance, when they were moving the machinery on board dredge No. 24, he had one of the men of the Draughting Room stay there most of the time, so as to see that the work was being pushed properly.

Q. What would he do if he thought that the work was not progressing as it should?  
A. He would urge the particular foreman to work faster, quicker.

Q. And if not yet satisfied? A. He would report to the Director. He would report that the men are not doing their duty; he would say that part of the work was going a little slow, that we should have better results, &c. In a case like that, I would see the particular foreman and ask him to see that the work was going ahead better.

Q. Are there any instances where you have dismissed foremen? A. No, I never had occasion to dismiss any.

Q. Do I understand that you do everything to give the officials a free hand. There is a certain amount of complaining by the foremen against the lack of discipline among the men under their control, that they have not enough power over their men. What do you think of this? We would like an absolutely frank statement about this? A. What do I think of it? To start with, when a foreman has been telling me or reporting that a man was not doing his duty, that he was drinking, for instance, losing time, or misbehaving, impolite with the foremen, &c., I have stood behind the foreman and dismissed or suspended that man. The only way to give control to the foreman, when he is dismissed for that or this reason, is to always stand with the foreman and have the men either dismissed or suspended, which I have always done. In some cases I have the men brought to my office and tell them to do what I wish them to do, or else leave the place. In some cases the men leave entirely, in others they improve and do better. Another complaint is that the men do not pay attention, or do not listen to the foreman. When there is a reproach of that kind made by the foremen, it is to this effect; a man will say to his foreman, "do not meddle with me, I am an employee and you are an employee; you did not appoint me here, I don't care what you say, &c." Sometimes they add: "I will go to the member for my county and he will see you about this." Another difficulty we have is to get reports from the sub-foremen. In fact we cannot keep track of the way the men behave. The sub-foremen have gangs of 15 or 20 men under their charge, and if the men do not do their proper share of work, the sub-foremen do not say much about it, because they are all friends together; sometimes they are related; one is a cousin, another is an uncle, and others have been to school together. The men will say to the sub-foreman: "do not report me or you will hear about it." It is very hard to get the sub-foremen to keep their men steadily at work. This is one of the troubles we find, especially amongst men who feel they are backed by a member of parliament.

Q. I understand that you consider there is a lack of discipline due to political interference, or political influence? A. I would like to go as far as to call it a lack of discipline, but certainly we do not have, as a rule, the hold on the men that private firms have or should have.

Q. Yes, I think you should have that hold on the men? A. But we do not.

Q. Apparently the sub-foremen are afraid to report the men when he knows that they have political backing? A. Yes, that is about the way it stands.

Q. It seems to me that no Minister would refuse to stand behind his Director should he dismiss such men? A. I don't know about that.

Q. Do you think that a foreman should have the power to dismiss men himself? In certain cases it would be well for a foreman to have the right to dismiss men, but if he had an indiscriminate right to dismiss them I am afraid there would be some injustice sometimes.

Q. When you are reducing the number of men employed, who decides as to who should be sent off and who should remain? A. I generally consult with the foreman and ask him.

Q. Should you not consult with him in every case? A. Yes, that is what we do.

Q. That is what you do? A. Yes. I ask the foreman. I tell him that we have to reduce our staff, and I say: "who are those we can dispense with"?

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Q. And you act upon his recommendation in that respect? A. Yes, but using my own judgment in some cases. Sometimes some men should not be dismissed.

Q. Why? A. Well, sometimes by reason of political influence and sometimes because it would be a case of hardship on the men themselves.

*By Mr. Ducharme:*

Q. Are the foremen able to raise the men's salaries in their branch, or is this left to you? A. That question is always submitted to me, but generally I take the foremen's advice.

Q. In that way, you stand behind the foremen? A. Yes.

Q. Has there been any cases where you have suspended or dismissed a man and reconsidered your action afterwards? A. There have been cases like this: when a man would be suspended on the complaint of the foreman, this man would come to me and explain that there was no fault of his, or that he would do better in the future. In that case I would ask the foreman whether he would be willing to give the man another chance, and I would tell the man to go to his foreman and try and make it up with him, or else that he would be dismissed for good. The foreman would probably say a bit of his mind to the fellow and keep him on, and all would be well. In a second instance of complaint against that same man however, he would be dismissed for good. I would insist upon that.

Q. Do you ever send men to a foreman who has already got a sufficient number. Do you ever have any complaints from the foremen on that point? A. Sometimes yes. They will say: "We are getting pretty full of hands."

Q. Do the foremen ever say they have enough men to do the work? A. Well, no. Suppose a foreman has 40 men, and we give him 10 more, he could push his work and find new work for them and put them on. They always like to have a good many men on.

Q. If a foreman has 30 men and you send him another 10, you expect he will produce one third more work? A. Yes, quite naturally. We try to keep them busy. We try to see that new work comes from the Draughting Room.

Q. Again, if that foreman is getting regular work with his 30 men, and he gets 10 more, would he not be able to dispense with these extra 10 men; or if he found that he is ahead of his work, would not that mean that he is to reduce his staff? A. It is the hardest thing to do, to reduce the staff.

Q. And it is the easiest thing in the world to increase it? A. Exactly.

Q. So I presume your personnel would be adverse to increasing the staff at any time, unless necessary? A. They would rather say no.

Sitting concluded for the day.

May 14, 1912.

Examination of Mr. PAPINEAU continued.

Mr. Ducharme produces plan of grounds:—

Q. Would you look at this plan and show us which is the Government property and which is the McCarthy Estate property? (Mr. Papineau looks over plan (blue print) and points out the north, south, east and west): A. The southeast corner is leased from the McCarthy Estate, and used for steel storage. The Department of Public Works have built a wharf on that property last year.

*By Mr. Lake:*

Q. Is it a fact that, with the exception of the sawmill, the paint shop, the mould loft, the asbestos shop, the power house, the wood drying shed, and 7 stores or sheds, the whole of the buildings are on the McCarthy Estate? A. Yes. All we have.

Q. With these exceptions, the rest of the buildings are on leased ground?—A. Yes. Suppose the Department was to give up the lease of these grounds and work

towards the Government property, we would lose the frontage on the Richelieu River. There is space enough to place all the buildings of the Yard on Government property, but the frontage on the Richelieu River would be reduced, and I consider it important to keep the frontage along the Richelieu River for wintering purposes. Still I think it would be better for the Government to expropriate the McCarthy Estate.

*By Mr. Ducharme:*

Q. How long a lease has the Government? A. There is no definite time. It is a promise of sale on the part of the McCarthy Estate, and, at the same time, a promise of purchase by the Government at a sum to be determined by arbitration.

Q. And pending the arbitration, the Government pays \$1,200 rental per annum? A. Yes.

Q. It is a pending sale on both sides? Yes, it amounts to that.

*By Mr. Ducharme:*

Q. How many men have got employed in the Yard A. At present we have about 730 men.

Q. With the office staff, the draughtsmen and everything? A. Yes.

Q. Have you more employees than you had a month ago? A. No. At the beginning of March last we had 950.

Q. What became of these men? A. Some have left of their own will; some have been discharged, and others have gone to work on the fleet.

Q. But some have been replaced? A. Very few have been replaced.

Q. Do you always send a number of men to the dredging fleet? A. It has been a habit to employ men in winter time on repair work who belong to the dredging fleet in summer. For instance, the engineers of tugs, some of the captains and some firemen, &c., who have trades, when they come back after navigation closes, we get them to work at repairs, &c., some as boilermakers and other work around boilers; others work as mechanics, &c. These men return to their fleet in the spring of the year.

*By Mr. Lake:*

Q. Do these men form a large proportion of the men at work in the Yard? A. At times, in winter, we have taken as many as 150 or 175 men from the fleet to work during the winter. This last winter we had not so many.

Q. Do you ever have any difficulty in getting men at all? A. No. In winter time there are always plenty for all labour.

Q. What are the wages you give compared with the wages of a private firm? A. I think they are about the same, but perhaps we pay a little better.

*By Mr. Ducharme:*

Q. Some of those men are discharged on account of the work getting less. In the spring, at certain times, you reduce the number of men. You did the same this year? A. Yes, well, this year we discharged some 50 men from the boiler shop. There were too many for the work remaining to be done.

Q. Do you consider it right to have more men than you want at present? A. Not at present, I do not consider it right. In a fortnight we will have to discharge a few.

Q. How many men have you employed in comparison with former years, roughly speaking? A. There is not much difference between now and last year at the same time. Comparing with 1908, I happened to come across the figures a day or so ago, and I think we must have now about 100 to 120 more men than we had 4 years ago. That would mean that we increased the staff at the rate of 25 or 30 men per year.

Q. And is that because the work has been increasing? A. Well, the average number of new construction was about 3 in the past. Lately we have had 5 new constructions to complete per year. The repair work has been increasing also, because each year there has been 2, 3 or 4 new vessels added to the Dredging Fleet.



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*By Mr. Lake:*

Q. You think that the increase in the number of men is accounted for by the increase of the work? A. Yes, it has followed the quantity and the amount of the work.

Q. During winter, what is the comparison in the number of men employed as in other seasons? A. Well, the same proportion obtains during the winter pretty near.

*By Mr. Ducharme:*

Q. You think you get the right kind of men whenever you want them, or are those you have the right kind? A. We have very good men; others are just good, and a few are not much good. We generally get a good class of mechanics.

Q. You have an assistant, Mr. Terrault. What kind of a man is he? A. I consider him a very good man. He knows a great deal about the work, and is a hard worker.

Q. What about your secretary? A. The secretary is a good man. He does not spare his time.

Q. He is a good man in every respect? A. Yes, in every respect.

Q. And the accountant? A. He is a very good officer. I have every confidence in him, but he is a comparatively new man.

Q. How is his behaviour? A. He has a very good behaviour.

Q. What about the cost ledger keeper, Mr. Latraverse? A. He is a good man, a smart man.

Q. Is he always on duty? A. He has remained at home a couple of times, but I asked him to stop that kind of thing, and he has obeyed.

Q. What about the storekeeper? A. He is full of good will, but I do not think he is up to the work on hand. We have had him only since the 1st January, and I do not think he realized when he came here what sort of work he had to do. He was a foundry man at St. David, I think.

Q. Was he not a merchant? A. I think he kept a store for a few years in a small way.

Q. He does not size up the work, or what? A. He is not at all familiar with the material, and he does not seem to grasp the work.

Q. Does he exercise control over his men? A. He does his best in that as in other things.

Q. And what of the draughtsmen? A. We have a set of good draughtsmen and engineers.

Q. They all have a good behaviour? A. Yes, they are all men of good behaviour.

Q. About Mr. Braconnier, the foreman of the boiler shop, what kind of a man is he? A. He knows his work well. He is a good worker and a good manager of men.

Q. Is he well qualified to be foreman of the boiler shop? A. I think so.

Q. You have Mr. Bilodeau, foreman of the machine shop, what about him? A. Bilodeau is a good man, knows his work well and has a good hold on the men. All those men have a good behaviour.

Q. Is Mr. Bilodeau going away or is he going to keep his situation? A. Bilodeau was offered a place back on dredge No. 7. He was there until 2 years ago as engineer, and he was brought here to take charge of the machine shop. Now he was offered a place on board the dredge *Tarte* and he would have accepted that, but I understand he was recommended to the department that he should retain his position here as foreman of the machine shop.

*By Mr. Lake:*

Q. Would he receive a better salary on board the *Tarte*? A. Yes, a better salary than he receives here.

*By Mr. Ducharme:*

Q. Nothing has been decided yet in this connection?—A. Well, they have appointed another engineer on the *Tarte*.

Q. How much was he to get on board the *Tarte*? A. I do not remember, but I think it was a matter of \$12 or \$14 per month more than he gets here.

Q. Now, about Mr. Badeau, the foreman carpenter? A. He is a man of long experience in the shipyard. He has been since he was a boy. He knows the vessels from end to end. He was here when most of them were built. His experience is very valuable.

Q. You consider him a good effective man? A. Yes, he is a good effective man, but he is a man with a grievance. He thinks he has been promised the place of chief constructor, or something like that, and whenever people are doing work which seems to belong to that position, he feels grieved. This does not prevent him from doing good work, however.

Q. Is he of good behaviour? A. Yes.

Q. Then you have Mr. Gendron, the foreman of labourers? A. I consider Gendron a good effective man. He is a man of good behaviour.

Q. What about the sawmill foreman, Mr. Lachapelle? A. Lachapelle is a good experienced man; a good foreman and a man of good behaviour.

Q. Then there is the pattern maker, Mr. Gauthier. What about him? A. He is a good and steady man, and understands the draughting of plans. He is a good foreman and has good behaviour.

Q. And the foreman painter, Mr. Payette? A. Payette is a new appointment, but I find him satisfactory. He is a good man and of good behaviour.

Q. What do you say about the steamfitter, Mr. Langlois? A. He is also a new appointment. He was with the Richelieu Navigation Company. He is a good worker, and steady and upright man of good behaviour.

Q. And the blacksmith foreman, Mr. Chateauvert? A. Mr. Chateauvert is one of the oldest employees in the Yard. He is always keeping up with his work, always finding work for his men and doing to the best of his knowledge and to the best interest of the department.

Q. Is he a good foreman? A. Yes, he is a good foreman, and controls his men well. He is a man of good behaviour.

Q. And about the mould loft foreman, Mr. Cofsky? A. Mr. Cofsky understands his work well. He is a man with whom we had a little trouble in former years. He used to drink, but he has given that up. For the last three years he has not drunk any. He is a man of good behaviour ever since that time.

Q. What do you say of Mr. Coté, the electrician? A. Mr. Coté is very well posted with electrical work. I might say there is not enough work here to keep a man of his worth. He might do better in a larger field. He is a capable man and of good behaviour. He has been sick sometimes, but nothing to speak of.

Q. And the paymaster, Champagne? A. Mr. Champagne is a very straight man, attends well to his business and is a man of good behaviour.

Q. Can you tell me the salary of all these men? A. From memory I could not tell exactly, but I would have to see the list. You have that list all right.

Q. Have your foremen authority to discharge men whom they are not pleased with? A. They have to refer to the Director. If anything happens that is objectionable, they suspend a man by having his attendance card taken away from him. That means that the man is not working and is not being paid. But this is referred to me and if there is sufficient reason, the man is discharged or suspended.

Q. Have you power to discharge the men yourself? A. Yes, I have. I do not have to refer to Ottawa. I consider though that for the higher officers and the men in charge, I would refer to Ottawa, but as to the day labourers I consider I can discharge them myself.

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Q. What about the asbestos department. Do you look into that, and do you think it is necessary here? A. Well, we certainly require some expert men to do the boiler covering, make the pipe covering, repair our furnaces, &c. That is the work those men have been doing and are doing now.

Q. I understand these men manufacture articles themselves? A. It is a way we have of keeping the men together, to have them when we require them.

Q. I suppose that the material used for manufacturing articles cost as much as it is worth after it is made into articles? A. Yes, probably as much.

Q. Would it not cost more? A. I would have the quotations from outside dealers to find that out.

Q. The object is to have those men here when you want them. You have not *always* enough work to keep them busy all the time? A. No. If we have a new construction, we require these men to put the covering on the boilers and on the steam pipes, &c. Then until another new construction is ready, there is sometimes a lapse of work, and during that lapse of work they turn back to manufacturing articles.

Q. Do you keep them busy all the time? A. They will be a little over-manned shortly. I have had to reduce that department already. I had 3 or 4 men last year taken off. They were not replaced.

Q. There is a lot of little shelters all about the place. What are those for? A. If you were here during the winter, you would see that they are needed. In winter we have to have some shelter for the men. They cannot stay out 10 hours in very cold weather without going to warm themselves.

Q. Those sheds are for the men working outside? A. Yes.

*By Mr. Lake:*

Q. Have you a man in charge in the sheds to see that no undue advantage is taken of those shelters? A. The foremen look after that.

Q. You could not have a foremen in each shed?—A. Do you mean the large sheds or what?

Q. I mean the small shed or shelters all over the Yard, where there are seats and a stove to heat the place. Some of those are about 12 feet square or thereabouts? A. There is a place where the carpenters keep their tools. This is shown on the plan; there is one for the men painting the boilers, and the men working on the pipes have also a shelter. Some men go in there for their dinner, and the men who do the heating of rivets go in there while waiting for the rivets to be ready.

Q. Do you consider these shelters necessary? A. Some of them are necessary.

Q. They are necessary in winter, but might they not be shut up in summer? A. Yes, they might be shut up in summer. We generally remove them in the spring.

Q. Do you discharge or engage your men without consulting with the foremen? A. I do not consult with the foremen to take on a man. Except sometimes, I may ask a foreman if he knows a man to be a good one, especially in the better trades, like a good mechanic, and a man is recommended by the foreman. I might ask the foremen if they know anything about the men, &c.

Q. If you engage a man, how do you know if he is wanted? A. We know generally if we have a lot of work to do and if we can increase the force of men.

Q. Does it happen that you engage a man when the foreman knows he has more than needed? A. Yes, it may happen sometimes.

Q. Do you not think you should consult with the foreman every time? A. I do not consult with them in a general way, but as a matter of fact I try to not send a man unless he is wanted.

Q. I suppose you are asked to put men on by outsiders? A. I do not suppose you would care to see the recommendations or the number of them.

Q. I suppose if a member should come and ask you to put on a man, you would do so without consulting the foreman? A. Yes.

*By Mr. Lake:*

Q. What course do you pursue in dealing with those applications from members?  
A. I have always been trying to buck against these practices.

Q. Do you not think you should have somebody whose duty it would be to look after these recommendations, see that the names are put on a list and take care of it?  
A. I do not think this would prove satisfactory. People are given letters of recommendation addressed to the Director; they come in with them and they are very particular that we get and read the letters and answer them ourselves, and if we do not give the recommendation immediate attention, or give them a satisfactory answer of some kind, they feel slighted. They go back to those who gave them the letter and say that we do not mind the recommendation but throw it in the basket, or something like that.

Q. If you replied immediately to the Deputy's letters, they would know you take the recommendation into consideration. You get a letter from a Deputy and unless you give the man a job, he goes back and tells the Deputy that you slighted him?  
A. If we cannot give the man a job at once, we promise we will give the recommendation attention at the first opportunity, and that he will have something to do.

Q. Of course every member is besieged with applications, and the easiest way for him is to pass them on to somebody else, but it seems to me that that somebody else should act according to his own judgment? A. Well, we do not engage one half, nor one third, nor one fourth of the men recommended. We get a great many more applications than we have vacancies.

Q. I think you should send those letters of recommendation to the foreman of the work applied for? A. Yes, but the foreman will say: "Oh, if the Director says so, we will get work for you." They always say yes. They are afraid to refuse.

Q. The foreman would not have that fear if they knew they need not be afraid of the member? A. If that point could be carried out, it would be a great benefit to the Yard.

Q. You could always switch the letters of recommendation by writing that there are no vacancies, but that as soon as it can be done you will acquiesce to the wishes of the writer? A. This is practically what we do.

Q. Then the member cannot complain, and if the other fellow complains, he can say: "We are working at your case." A. Yes, I suppose that is so.

Q. When you employ a new man, what instructions do you give to the foreman as to his employment? A. In the first case we notify the time-keeper that so and so will go on the list at such a time. It may be the next week or the 1st of the month.

Q. Do you arrange the salaries yourself? A. Generally I do. Only the labourers are engaged at a fixed salary. I take a man on trial, send him to the shop, tell the foreman that so and so is going to work for him, and a few days later, when he has put the man at work and knows what sort of a man he is, the foreman is able to tell me: "he is a man of such or such a class."

Q. Do you send a written notice to the time-keeper? A. Yes, I make out a slip and give him the name of the man coming in.

Q. It seems to me there should be a written authority right through to the accountant and the foreman, who should put the man at the proper job? A. There is no chance of missing anything. If the man is sent as, say a labourer, or a machinist, he finds his way to the proper shop.

Q. When a man is discharged, is notice also given to the time-keeper? A. Yes, notice is given to the time-keeper.

Q. Is the time-keeper in the office of the accountant? A. No.

Q. How does he know that a man is dismissed? A. He knows by the pay list.

Q. I think he ought to know at once? A. What difference would that make?

Q. I would like to know what the accountant's duties are in connection with the appointment or dismissal of men? A. The accountant must have knowledge of all the expenditure, but he would have nothing to say to the appointment of men.

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Q. He ought to know when an additional man is taken on and what his pay is to be? A. If a man is to be dismissed, he is paid off. Then the accountant has to make out a cheque. He knows in that way, but indirectly.

*By Mr. Ducharme:*

Q. Whenever you want any goods or material, do you apply to Ottawa for that? A. We make requisition on Ottawa.

Q. They make all purchases and they supply you? A. Yes.

Q. Do you find it awkward sometimes and meet with unnecessary delays? A. Well, it happens sometimes that it takes quite a while to get supplies.

Q. Does it take long enough that the work would be suffering here? A. In some cases we have been waiting too long for things. I am not prepared to say that the fault lies with Ottawa; it may depend mostly on the supply men.

Q. They delay filling the orders themselves? A. Yes, and it takes a little time to reach Ottawa in notifying them that such and such a thing is missing or wanted.

Q. Do you think it would be better that the contracting parties be advised that so much is to be attributed to you. I mean for the department to advise the firms that you have to apply to them for goods. A. It might be. For instance, the Department of Railways and Canals makes a contract for one year. They send, at the beginning of the fiscal year, a list of the requirements of the different canals. The approximate quantity of goods they will need at each point. Then the department send those lists to the supply men who tender. Then the tenders are compared and a summary is made showing who has the lowest price for each kind of material. Then the minister approves of the lowest and then for that one year whenever an officer wants material, he looks up the list, makes an order on the tenderer, for instance, for linseed oil, he orders so many barrels from one man; he would order paint from another man, door knobs from another, &c., according as the list shows. This is a little troublesome sometimes. I find sometimes there would be some lamp wicks wanted, then some lamp chimneys on another requisition, and to have one complete lamp, I would have to send an order to three different places.

Q. Would it be the same if the government gave a whole contract to the lowest tenderer? A. Well, for instance, we send a requisition for hardware. There might be locks, padlocks, screws, &c. The department will send this list to several men. They will tender. One will be the lowest for one thing and higher for another thing. The requisition will be divided in three or four orders as a result.

Q. It is the department who writes to two or three firms, while if the system applied here you would have to do that work? A. That is the way it used to be in Sorel. It was satisfactory.

Q. Was it better than to-day? A. It might have been better in this way that the shipyard was in direct touch with the men supplying the goods. If something was not satisfactory they knew that they would have to show why. It saved a lot of time.

Q. You sign requisitions for goods? A. Yes.

Q. Do you satisfy yourself that those goods are required? A. Yes. My system is to get from the store and stock-keeper a statement showing the amounts of last purchase of the same goods; the amount in stock and also, when the matter is important, the quantities issued for the same period of time previously. For instance, if it is in the spring, as at present, I would ask what was the quantity issued from say, the 1st of May to September of the previous year, so as to have an idea of what the requisitions will be for the same period this year. If I find, for instance, that we have issued 10 barrels of cylinder oil during a certain period, I will want our stock to be kept up to that quantity, because I expect we will be requisitioned for the same amount.

Q. Do you know of any case where there has been an over-purchasing of material? A. In some instances, we have material left over after a construction is finished.

We have had plates left over and perhaps a few boiler tubes, but not to any large extent.

Q. A full account is taken of the stores left on hand, I suppose? A. Yes. If we have a certain quantity of material that we are going to order, we would keep that in mind in making the requisition.

Q. You have been watching the inventory that has been taken, as well as the officers employed on it. You are satisfied that every care has been taken to get at an accurate result? A. Yes, we have taken all due care. We had some new hands that were brought in. We got the best help we could. There must have been very few errors in the inventory.

Q. What mistakes could have been made? A. In looking over the sheets, I found in some instances where prices had been taken per hundred instead of per item. These were checked over, however, and I think these errors disappeared.

Q. They were checked and will be checked over again if necessary? A. Yes. The intention is to open a new stock-book on new forms, based on this inventory. The prices of course will have to be further checked in case of mistakes.

Q. You propose to make this inventory the basis for the opening of new books? A. Yes.

Q. Did you take an inventory of construction steel at the same time? A. No. This was taken from the lists in the construction department.

Q. But in a physical inventory? A. No.

Q. How long since you have taken an inventory of the construction steel? A. I think it was in 1910.

Q. Do you think it would be well to take one every year? A. Yes. It would have been done in this stock-taking, only in winter time it would have entailed a great deal of work on account of the snow. After the snow was off the ground, we had a flood, and it is only lately that the steel has been available.

Q. Is it your intention to go on and take an inventory of that as soon as possible? A. We have not decided either way.

Q. No inventory was taken since 1910. Do you not think it would be better to have one taken more frequently? A. Yes, but an annual moving of 700 tons of plates is a big job.

Q. Do you think an inventory taken at present would show a considerable amount of obsolete stock in general? A. Yes, there is some obsolete stock on hand.

Q. Have you a plan as to ascertaining the quantity and value of that stock and how to get rid of it? A. The best plan would be to have it looked up by what might be called a committee of three or four general construction men, among whom perhaps myself and the store-keeper, and find out what is likely to be used and what is not to be used at all.

Q. Some of it will undoubtedly be a little over valued to-day. I presume you would take the value of it at present to figure on your inventory? A. Yes.

Q. Will you get that very shortly? A. If we have time, yes.

*By Mr. Lake:*

Q. The timber purchased here, is this bought by the purchasing agent at Ottawa? A. Yes.

Q. And inspected by you or by him? A. The theory of it is that the department should name a man to do the inspection. But they have asked us to supply a man to do this inspection for the last three years, and it has been done by the foreman of our sawmill.

Q. Does he inspect the timber at the time it is purchased? A. No, after it is purchased.

Q. And he also sees that what is selected is delivered here? A. Yes. It is done in this way, a specification goes to Ottawa covering the quantity and size of logs that

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we require. There are issued notices in the papers that tenders will be invited. The purchasing agent then sends copies of the specification to the tenderers and asks them at what price they will supply the timber required. When the price is correct we are notified that so much timber has been purchased by the department from so and so.

Q. Have you ever had any complaint as to the quality of the timber supplied?  
A. Our man is the judge. He culls what is not satisfactory before it is delivered. The men supplying the timber ask the department as a favour to send our inspector on the ground where the timber is cut.

Q. Who sends him there, you or the department? A. The department asks for him and we send Mr. Lachapelle.

Q. Mr. Lachapelle goes on the ground to inspect the timber? A. Yes. He goes where the timber is piled, sees it before it is put in the river and culls what is not satisfactory. What he accepts is good and he marks it with the stamp of the Department, M.F.D.

*By Mr. Ducharme:*

Q. That is the only inspection of the timber that takes place? A. Yes.

Q. Do you find what he gets is satisfactory? A. Yes, considering the price we pay, it is not bad.

Q. That would be for white pine? A. Yes. We have bought some at 23 and 25 cents, which is cheap. Some people have tendered on specifications and have asked as high as 45 cents.

Q. Where is that white pine taken from. From this country? A. Yes, from firms around this country. There is nothing of a large size because all the large timber has been mostly cut years ago, but sometimes some old settlers will have some on reserve and sell it to the Government.

Q. Some of that timber, I am told, has shrunk in the cutting, and you get only about 50 per cent of what was purchased? A. There are two or three different ways of measuring timber. The way we do is to pay for a square deal to three-fourths of the diameter.

Q. You do not think there is any excessive shrinkage? A. No, I don't think so.

Q. Have you noticed that in cutting, the slabs are sometimes very thick; I saw slabs 3 inches thick. That would reduce your piece of wood 6 inches? A. Not necessarily. If you have a log that is not straight, you will lose 3 or 4 inches on one side, but the other side will not leave much of a slab.

Q. What is the percentage of loss on the average sawn product of white pine from the log? A. We should not lose more than 15 or 20 per cent.

Q. You know how much wood you produce? A. Yes.

*By Mr. Ducharme:*

Q. I notice that your stores are pretty well scattered. Do you not think it would be better to have them all together? A. Yes, certainly. It would be an improvement. It would save time in supervision, &c.

Q. I also noticed that mostly all your iron plates and angles are unloaded from the cars and drawn away. Do you not think it would be better to leave them there when unloading the cars, because when you want to employ them you have to go and take them back to load them? A. Yes. Well there is not room enough near the cars to leave them there. We had thought of extending the yard beyond the fence and have it alongside the railway track, but outside the present fence. We would have a fine yard for plates there (showing on plan). That would give us a good yard.

Q. I see there is a kind of office or shanty there (on plan)? What is it for?  
A. That is for the man having charge of the yard.

Q. For handling? A. Yes, for handling.

Q. That takes a man all the time? A. Yes, at present the man is in the mould loft, but we used to have a man there all the time.

Q. So if a man wanted some iron, he could go to that party and ask for it? A. Yes. He has lots of different piles and knows where to find the plates.

Q. Is the iron given on a requisition form or just a small slip of paper? A. It is given on an order made on a slip of paper.

Q. That order contains the name or number of the plate wanted? A. Yes.

Q. Every individual plate is numbered? A. Yes. The men of the mould loft has a list of all the material that has been purchased for a particular work. That man is the one who looks after placing of the plates on the vessel according to the plan. As the construction progresses, he finds he will have to get a plate say 2 x 10 feet long. He looks in his list and the plate is likely to have been marked with a special figure or number on that list. He finds the way the plate is marked, then he hands his slip to the man in charge of the plates. They look in the proper pile and find the plate that will suit for the work wanted.

Q. Then that man renders an account of all the slips he receives for delivery? A. Yes.

Q. Who does he render account to? A. To the stockbook-keeper.

Q. Who returns them to the stockbook-keeper? A. The employee of the mould loft.

Q. You close at 5 o'clock in the winter? A. Yes, at 5 o'clock.

Q. And the men are paid full time? A. No, they are not paid full time. There is 10 per cent reduction on the pay, except for the men who are paid less than \$1.45 per day. Men paid \$1.35 are not reduced. The men who get \$1.45 are reduced only 5 cents, they get \$1.40. This is a special favour. All others are reduced 10 per cent. If a man receives \$1.80 per day he will lose 18 cents.

Q. Do you know about how many men get \$1.35 per day, from memory? A. We have it figured out. It was asked as a special privilege to keep the men at \$1.35. There must be about 135 of them I think. However, you have the list.

Q. We find that the office men come in at 8.30 in the morning and go away at 5 in the evening. Who has charge of the establishment after 5 and before 8.30 in the morning? A. Well, there are the watchmen in a way. There is the assistant checker of time, who stays here until the whistle blows.

Q. There is nobody in charge of the yard from 12 to 1 o'clock and from 5 to 6 in the evening? A. In theory, no. As a matter of fact we are more often here until 6 o'clock than otherwise.

Q. Would it not be better to have a man take charge during that time? A. Well, I suppose it would be better to have a man.

Q. All inside officials, clerks, &c., sign a book of attendance? A. Yes.

Q. Is that book brought in to you every day? A. Yes, every day.

Q. Do the watchmen sign that book also? A. No, not the watchmen.

Q. How do you know they are at their work regularly? A. They are present when the assistant time-checker leaves. They come in to take their clocks. He hands them their clocks and they start their night work at 6 o'clock.

Q. What proof have you that they are regularly at work during the whole night? A. They have to go to certain points in the yard and insert a key in the clock. The clock has a paper dial inside showing at what time the key was applied.

Q. Those keys or watches are stationed at different points in the yard? A. Yes, at four or five different points. The keys are attached and fixed at each spot. The watch or clack is movable but the key is fastened.

Q. Is there no way under the present system for a watchman to go only once and register for the whole yard without being found out? A. There is no way, unless he would unfasten the key and keep it with him.

Q. Could he do that? A. I suppose he could once or twice.



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Q. Would that not be avoided by his having to give a written certificate of his periodical visits? A. The time-checker follows that part of the work. There is no written certificate.

Q. When the payroll is made up, the time of the watchman appears on it? A. Yes, the details show that the work has been done each night.

Q. I do not quite understand. Is the clock or watch carried with them and handed in each day to the time-checker? A. Yes. It is handed in the office each day. In the morning the clocks are handed in. The watchman cannot open this clock himself. They bring it back in the morning. When the time-checker comes, he has a special key to open them. He takes the paper dial and puts in a new one. The watch is placed there for the man to take it again in the evening.

Q. You keep a record of all the works, the cost of everything? A. We make what we call the annual report to the department.

Q. Do you keep in your office a record of the cost of everything? A. This is kept by the cost department in conjunction with the assistant director.

Q. Do you keep a record yourself, say, of what a dredge or scow has cost? A. That is included in the general report to the department. In the accountant's branch there is a record of each construction.

Q. Supposing you want to know what is the capacity, draft, &c., of such a dredge, you have no record of that? A. The draughting room has that pretty complete, that is the length, the capacity, draft, &c. Before my time, records of these were made on regular printed forms, all uniform and with all details.

Q. Suppose you asked for information of that kind, who could it be got from? A. From the engineering branch here.

Q. I saw this morning a lot of old iron, or scrap iron in the yard. What is the reason for it being scattered all over instead of being dumped all in one spot? A. We are trying now to get all that in one place.

Q. Why was it not done before? A. We are starting a new field for scrap iron. The parings are just dumped and cannot be sold as scrap iron. At one time we were offered \$25 a carload for it. We would have to load it ourselves and it would not have paid.

Q. You have no water closet supervision. There is, I believe, a great deal of time lost in those places? A. Well, I suppose so, though they are not attractive enough to lose time in.

Q. There are no watchmen, no superintendent walking around the yard all the time? A. No. There used to be one at one time; a sort of walking boss, but we have none now. He gave up the job when he noticed pieces of iron, bricks, &c., flying around his head.

*By Mr. Lake:*

Q. Do you ever value the dredges that you build. Have you ever made a comparison between the price it cost you and the price it might have cost if given out by contract? A. No. Others have done it. I do not know what the result has been. There are very few firms building these dredges on this side of the water, so we could make a comparison with.

Q. Could you value dredge No. 8 and say how much it cost to build? A. We have that information in our books.

Q. Could you establish a table or estimate by which you could see whether it cost you more than it should have cost? A. It would require an expert builder to do that. Probably a naval architect.

Q. Do you work out an estimate in detail yourself? A. No. Generally the work has been started, and the planning and estimating has been done as the work progressed.

Q. Do you not think it would be better to have it worked out in advance? A. Yes, but as a rule, it has been started in this way: when a large construction was

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determined upon, by comparing with previous constructions it was estimated or guessed what a boat of that size would cost approximately. The money was asked for and the work of draughting went on.

*By Mr. Ducharme:*

Q. At what price was dredge No. 8 estimated? A. Well, that I could not tell. She was completed before I came here.

Q. Have you built any since? A. We have finished dredges Nos. 10 and 11.

Q. A dredge is estimated to cost so much; when completed it costs more. When you build another you can see what was the difference by comparing the cost of the first with the second. Could you do that now? A. We know at once the cost of each part of a dredge.

Q. Have you under construction a dredge or tug that you could compare with a former construction, to see whether you have paid too much, or are paying too much? A. Well, we have built different dredges, of different styles. For instance, the dredge *Fielding* was built here. She was an elevator dredge, combined with hoppers. That was the only one of that kind built here. Then the No. 8 dredge is a suction dredge. That is another style. We have not built another one like that.

Q. But is there not in those dredges certain parts that you can compare with others and guide yourself as to cost comparatively? A. Yes, that is where the work is divided in jobs. When we start making a cutter head, we can compare with others previously built and allow for the difference in size. We would allow for the length of the shaft, &c., and all that information would be a guide for future work.

Q. So you could establish a comparison in the cost for past work if you had the same work to do now? A. Yes.

Q. Have you parts of constructions that you could compare with the cost of former constructions to see whether you are improving or not? A. Yes. We can find things that way since the cost department has been established.

Q. Can you find a comparison of that kind and send it to us to Ottawa? A. Yes, I will try and do that. We have tugs that we are building, but the last one we built was a wooden tug and we are building steel ones now. I think they will compare well with the last two small tugs. They are the same size.

*By Mr. Lake:*

Q. Do you not continue building wooden scows? A. A wooden scow will suffer less in grounding than a steel one. Another reason is that we can turn them out quicker. If we had been building steel scows it would have taxed our capacities. We are limited for the amount of compressed air that we can use. We have reached the limit of what we can do with compressed air without getting new machinery.

*By Mr. Ducharme:*

Q. You keep eleven horses, two double teams and seven horses. Do you require all that all the time? A. We find work for them all the time.

Q. Where are they to-day? A. They must be hauling timber here and there in the yard. They change every day. The foreman of the yard has the control of them and he would be the man to tell exactly what they are doing.

Q. You have teamsters? A. Yes.

Q. They are paid all the time whether they are busy or not? A. Yes.

Q. In the winter time is the narrow gauge railway track used? A. No, in winter we use sleighs for hauling.

Q. Could not the track be kept clear in winter? A. Suppose we tried to use the track and a snow storm came along, it would take a couple of days to clear it and we would have no transportation means.

*By Mr. Lake:*

Q. If you are able to draw all your material during the winter, surely you have too many horses for summer, when you have the tracks? A. The heavy construction

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work that goes on in summer time is as much as in winter. The tracks do not reach every point of the yard and we have to use horses.

Q. I think you must be over-stocked with horses and teamsters, during summer?  
A. Well, when I came here four years ago, there were ten horses, but we lost two, which were getting old and useless. So we bought another team, and then bought a single horse and exchanged another until we have now eleven.

Q. I saw a man mending harness, &c. Does he spend all his time mending?  
A. Yes, he spends most of his time at that.

Q. Have you any idea of what the stables cost you, the horses, stablement, repairs to harness, &c.? A. We could find that from the cost department. It means a cost of about \$35 a day, I think.

*By Mr. Ducharme:*

Q. In the stores I have noticed quite a lot of harness, &c. Do you sell? A. No. Perhaps we are a little over-stocked in that line. The last requisition was made last fall. We have enough left for next year I think.

Q. How many of sets of harness have you in the stores? A. I could not tell from memory.

Witness retired.

OTTAWA, SATURDAY, May 18, 1912.

## PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

CECIL F. DOUTRE, Purchasing Agent, Department of Marine.

*Examined by the Chairman:*

Q. When were you appointed to your present position? A. July, 1908; I will be there four years this July.

Q. What was your previous position? A. Commissioner of Wireless Telegraphy for the Government.

Q. You purchase the supplies for the Sorel Shipyards? A. I do.

Q. Will you please describe the process of making the purchase? A. This morning when you telephoned me I got out a couple of files to show the process. The same thing which is done in the case of Sorel will apply to all the agencies of the Department. They have a requisition form of which I now produce a copy, which is made in triplicate and printed on three different colours of paper.

Q. When you say 'they' you mean the Sorel Shipyards people? A. Yes, the Director of the Shipyards at Sorel and the agent of the Department at all other points.

Q. In the case of the Sorel Shipyards, whose signature would you recognize?  
A. Mr. Papineau.

Q. And that of no person else? A. That of no person else except probably in the absence of Mr. Papineau then I presume I would recognize the signature of Mr. Perrault, his assistant, but as far as I remember Mr. Papineau has never been absent since I have been in this position. That form is filled in giving the quantity of any article required and stating what they have on hand invariably. We get that infor-

mation in order that I may know that they are not buying in advance of their requirement. For instance, if they were to send in an order for 4,000 feet of one inch pipe, in the absence of any knowledge of what they have in stock it would be very difficult for me to know whether they wanted that, or whether they were not buying ahead for a year. We do not make contracts buying ahead for a year; we generally try to buy for not more than four months supply for the simple reason that the Government carries no insurance on their stock and in the event of loss it would be a complete loss. If then they sent a requisition for 4,000 feet of one inch pipe and I found they had 2,000 feet of that pipe on hand I would consider that a large amount to buy and consequently I would perhaps cut it down or I would not buy it at all if I thought it was too much.

Q. And I suppose what you would do, before you came to any decision on that, would be to enter into correspondence with them? A. Undoubtedly we would write to them and tell them they had so much on hand and they were asking for so much, and unless they had immediate use for it or some large work which required this particular article in that amount I would tell them that the order on that requisition appeared to us to be very large and we would like to hear what they had to say about the matter.

Q. I presume the way you keep track of that is by simply examining the requisition itself? A. Yes, I may say in explanation that unfortunately I was put in charge of all the different stores all around the country. I am really at the head of all the stores. I am a sort of general superintendent storekeeper for the Department of Marine and Fisheries as well as being purchasing agent and I objected to that most strenuously for the reason that I had not at my disposal any machinery for inspecting these stores. At that time the accountant was made inspector as well as accountant and he would do the inspection of the stores; that was the decision that was come to when I made the objection. The accountant was Mr. Boyle. His duties as accountant were accepted to be with accounting, but he went around to the stores and visited them. There really has been no systematic inspection of the stores for the simple reason as I say that my time is taken up entirely in Ottawa. I cannot leave Ottawa for a day without great inconvenience and I have no machinery for inspecting the stores, and the only inspector we have is Mr. Boyle. Recently however, the Government appointed Mr. Tremaine inspector of agencies. Mr. Tremaine used to be our accountant in Halifax and he is making an inspection of all the stores and of the agencies. As soon as he returns he will take up that work and be able to inspect these stores and attend to that part of the business. The stock is taken regularly and copies of the stock sheets are taken to Ottawa in order that they may be examined and that we may see we are not carrying an excessive stock.

Q. I see a column here in the requisition marked 'date of last supplies and quantities'; that would only refer to the last order that had been filled? A. Yes.

Q. That would not show what is left on hand? A. That is so, and the consequence is that the information is seldom given; it is invariably the quantity on hand; the form of the requisition is wrong in that particular; it should be the quantity on hand.

Q. It should be the quantity on hand? A. Yes, the quantity is invariably given. That requisition form that I have given you there is one of the original stock of requisitions and we have abandoned some of it and as soon as the stock is finished I will change the form.

*By Mr. Lake:*

Q. Is there any information in respect to the annual or monthly consumption of these articles? A. Oh, yes.

Q. Is it monthly? A. Not monthly; I have no doubt you gentlemen have here a copy of the stock ledger.

Q. We have them here for all of the departments. A. They are all the same. On one side it gives the nature of the goods, the date, the requisition number, the

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article and the quantity that is taken in; on the other side is the date, the requisition number, the article, and the amount outward, and then the last column shows the balance on hand.

Q. Are you referring to the ledger which is kept in the different agencies? A. In the stores of the different agencies.

Q. Is a copy of that supposed to be sent to you? A. No, except when we ask for it. We might ask them how much of that particular article was used in the last four months and they would send it to us. Or, for instance, we are now buying spring supplies at the present moment, paints and things of that kind. If we thought they were requisitioned in for an excessive quantity of white lead for example we would write the agent immediately asking him to let us know how much white lead he used last year from the 1st of January to the 1st of June, and all he would have to do is to take the stock ledger, turn it over, and take the outward supply for that period and he could give us the exact quantity used.

Q. What you mean is to say is double barrelled, first that each agency, including Sorel, is supposed to keep a stock-book? A. Yes.

Q. And they are supposed to keep that stock book written up? A. Yes, sir.

Q. And therefore to be able to furnish you with information when you want it? A. That is the idea.

Q. And up to the present time, when Inspector Tremaine was appointed there was no inspection of a periodical nature of the stock-books? A. Well Mr. Boyle used to go around. At that time he was accountant and inspector and he went to Quebec and Halifax and in fact all the agencies, and he looked up the stock.

Q. At what regular periods did he do that? A. Well, I presume he would go perhaps two or three times a year, but it was not monthly.

Q. Are you not speaking from your general impression and your understanding of the matter now; I think you do not know much about it personally. You think Mr. Boyle did that in every case? A. Well, that was the object of Mr. Boyle's visit and I presume he did it.

Q. We have positive information that a physical inventory has not been taken at Sorel for several years? A. That is a surprise to me.

Q. With great difficulty and after great pressure this Commission has succeeded in forcing a physical inventory to be taken, and a comparison with the books is going on at the present time and we have enough information on hand now to know that there will be discrepancies of one kind and the other? A. I have no doubt.

Q. That shows as a matter of fact, that the question of taking a physical inventory has not been carried out notwithstanding the fact that they have down at Sorel a staff that could do it? A. I cannot speak definitely as to that, but Mr. Boyle could give that information because Mr. Boyle went down to Sorel and I think he was there for a month. What he was doing I do not know, of course.

Q. When was that? A. Last fall, I think. He was there there for three weeks or a month, I think, and I presume that that is what he was doing.

Q. When you get your requisition do you inform yourself to the best of your knowledge and care and consideration, whether that quantity of supplies should be sent or whether a smaller quantity should be sent? A. Yes.

Q. And then what is the next step you take? A. We get that and we are satisfied that the articles are required, we send an inquiry as to prices on that form (form produced) to the leading merchants in their respective lines.

Q. With reference to that, have you been in the habit of sending this out to all the persons in the particular line of business, or just to certain persons? A. Not to all, but I would say we send it to the leading people in their different lines of business and in addition to that we might send them to some people who had been specially recommended to the department as being able to supply the department with these goods. If we find persons recommended in that way and yet we are satisfied ourselves that the man is not in a position to do business with us and that he

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cannot compete with the others, we still give him the benefit of the doubt and we ask him to quote prices three or four times, and if he does not succeed in getting an order then we strike him from the list. We have a list of all the different people in all the different lines of business. We will take the list of hardware people, for instance, and we find on it Fotheringham & Workman, Coverhill Learmonth, and so on, who are large dealers. If a man is recommended although I know he is only a retailer, nevertheless we will put his name on what we call the active list. If after we ask him for quotations three or four times we find he does not get an order we take him off the list or otherwise we would have a list practically of every retail man in the country.

Q. Was the basis of that list commenced by the recommendations into this department? A. Absolutely so.

Q. In other words, is it a political patronage list? A. Such a thing does not exist in our department.

Q. And has not existed? A. And has not existed in our department since shortly after I came to the department to this position. These lists were abolished in the fall of 1908 at my suggestion and the minister made a public statement in the House abolishing the list.

Q. But up to that time there had been a list of certain people from whom you were expected to buy? A. It is pretty hard to say that. We did not follow the list at the time and that is what caused the trouble. We were supposed to confine our inquiries to these parties who were on the list, but as a matter of fact we did not do so.

Q. And on your recommendation that practice was abandoned? A. Yes, I represented that I could not buy intelligently by following that list. I had to go outside of it and that caused friction.

Q. And you insisted on being at liberty to buy where you liked? A. I requested that privilege and it was granted to me.

Q. That occurred in the fall of 1908? A. Yes.

Q. And have you since then, and are you at the present time, allowed perfect liberty to select? A. Absolutely.

Q. Did you then start to make out a list? No. We have a list. We take a man who is recommended to the department as being able to supply pipes or articles of that kind, and I call in my clerk to look after these inquiries and I say to him, put on the name of John Smith for pipes and so on. I tell him at the time that I do not think there is any use of sending inquiries to John Smith, but to send three or four in the usual way, and if he does not get results to drop his name from the list. John Smith goes on the list, and he is asked three or four times for prices, and if he does not get orders he is dropped from the list. I may say that that list is made up of the leading people in their respective lines.

Q. You have a special clerk who does that? A. Yes.

Q. What is his name? A. Mr. Kelly.

Q. He keeps this list? A. I think he keeps them on a card.

Q. Now, assuming that you require some goods to be delivered at the port of Montreal and they were hardware goods, I suppose there are a large number of dealers in hardware in Montreal? A. There are.

Q. Would you send out an inquiry to all the dealers in Montreal who are engaged in that business? A. No.

Q. How would you make your selection? A. Based on the experience which I have had in the past three or four years in buying we have a fair idea of the people who are generally capable of quoting the lowest price to get the business and we send to these people. We send to four firms or six firms or sometimes to ten firms as the case may be, and I consider that is getting ample competition to enable us to get the lowest prevailing market price; I am satisfied of that.

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Q. Not doubting at all that you would be fair in the matter, yet is not the system one which leaves you as purchasing agent a great deal of power in selecting the people you are to buy from? A. Of course. A man in my position of course could leave off people if he wanted to do so.

Q. And you could persistently do that? A. I could persistently ignore such firms but any firm who can quote the department satisfactory prices is not very likely to be overlooked in the matter.

Q. That is provided you are all right? A. Yes.

Q. But provided you are going wrong, it does give you the power to wreak your vengeance on a particular firm, does it not? A. Yes, I could. For instance, we have had trouble with different firms and we have simply put them off and we won't have them to quote prices.

Q. There are infirmities in every human system, and while I am not now suggesting against you in any way, yet I am trying to test the system? A. Exactly?

Q. Is there any supervision over you in what you do; is there any person who consistently says to you: Well, now, let us go over what you have been doing in the past two or three months and explain to me what you have done, or, are you left a pretty free hand to do as you like? A. I am pleased to say I am left an absolutely free hand to do as I like; no person has ever questioned me.

Q. You have a very responsible position? A. I realize that Mr. Chairman.

Q. Do you have complaints from time to time about unfairness? A. Yes.

Q. You do? A. Yes. Well I should correct that, not of unfairness. But we have had complaints when a party will write invariably to the Minister, to the effect that he is quoting prices to the department every time and has not yet succeeded in getting business and he does not understand the reason why. He may say that he is quoting the same price that he is getting from other departments and the same price as enables him to get business from some large corporation such as the Grand Trunk or the Canadian Pacific Railway, but he cannot get business from the Marine Department at these prices. In that case the Minister always asks for a statement of the facts and I give a statement to the Minister of the price the department is quoted and the price at which we are purchasing and then a letter is dictated in the office of that report of mine and sent to the party.

Q. And that is to some extent a check upon you? A. Yes, sir.

Q. I suppose it would be advisable rather to err on the side of asking too many persons for quotations than too few? A. It would, it is only a question of staff.

Q. Have you a minimum of persons from whom you are permitted to ask for prices? A. No. No fixed number has ever been set but I would say that I certainly would not like to ask less than three and I would prefer to ask probably five or six. If you have five or six merchants in their different lines competing you practically cover the entire field.

Q. Of course, for the main lines you have to purchase in the department there are a considerable number of dealers so that you have no trouble in getting competition? A. We have no difficulty on that score, the trouble is that we have too much competition if I may so express myself. In other words we are asked to ask many more people than any ordinary commercial house would ask when buying supplies and that is invariably owing to the nature of the government work. We try to keep the number down to some reasonable number. The number we ask is very frequently guided by the number of copies we can make of the invitation to tender. If we can make five or six copies we ask five or six people and instead of making out another set of sheets we confine our inquiries to six or seven houses. You take the paint manufacturers of Canada for instance. There are some large paint manufacturers and there are some small manufacturers and we generally try to cover them all and consequently when we send out our specifications for paints we invariably send them out to all manufacturers, probably some ten or fifteen. When I say all the manufacturers of paint I mean all the known manufacturers. There may be some little

man in some small place manufacturing 500 barrels of paint a day who is unknown to me but all the firms, the large firms, the Canada Paint Company, Sherwin-Williams, Ramsay, Martins-Senour, Bradner and Henderson, and the National people in Toronto; there may be nine or ten of them, but we ask all the leading firms.

Q. You speak of the number of copies of your specification that you send out or can send out; are they typewritten when you send them out? A. Always.

Q. Have you not some duplicating apparatus in the office from which you could make a larger number of copies? A. No, we have not. There is in the department one of these multigraphs but we have no person to work it.

Q. Have you in your department a sufficient staff? A. Do you mean in my branch?

Q. Yes. A. Yes, I think I have for the present season.

Q. Have you the necessary office apparatus as fully as you would see it? A. Yes, I would say so.

Q. Would not some duplicating machine be an important addition to your office? A. It might be, except as I say, where the circumstances warrant it they make two typewritten sets of these specifications and the girl can do that in much less time than she could by setting up one of those multigraph affairs that can make a hundred copies; as I understand it, it takes much less time on the typewriter.

Q. You have not any case in which under any circumstances you would require a large number of copies? A. No, and whenever we do, if the circumstances justify it, we make them get out two sets on the typewriter.

Q. Well, you send out your inquiries and you get your prices and then of course you send out your order? A. Yes.

Q. And you frequently, I suppose, split up the requisition into a number of orders? A. Very frequently. We take the lowest price in each individual case, we never take a lump sum price, much to the disgust of the tenderer.

Q. You take unit prices? A. Yes.

Q. With regard to a great many of these things how do you do as to quality? A. As to the quality of paint and oils, all of our large quantities of paints are purchased according to our own specifications which have been prepared in the Department. I refer now to our spring supplies for maintenance of lighthouses and so on. A contract is given for the supply of this paint and the materials before they enter into the manufacture of the paint are analysed.

Q. Where are they analysed? A. Last year they were analysed by Prof. Ruttan of McGill University before they were allowed to go into the paint. I may say incidentally that the Sherwin-Williams Company, within the last four days, cancelled an order I placed with them for paint because they refused to analyse the ingredients before they went into the paint. They said they had a standard article which was better than the article we called for, but nevertheless we cancelled the order. I think the Canadian Inspection Bureau are inspecting these ingredients this year.

Q. Why did you not have the same Inspector as you had last year? A. Mr. McPhail, the Commissioner of Lights, looks after that; he takes charge of the inspection of ingredients. He had Prof. Ruttan do it last year but I know the Canadian Inspection people were seeing him this year to get the work and whether he selected them or not I do not know. At all events, the materials will no doubt be analysed before they enter into the composition of the paint.

*By Mr. Lake:*

Q. Are they not inspected under the direction of your department? A. Mr. McPhail was responsible for these specifications and he puts his own inspector in the factory when the paints are being manufactured. He has taken that course in the past and no doubt he will do it this year also.



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*By the Chairman:*

Q. You are ordering certain goods and you order on certain specifications? A. Invariably.

Q. And then Mr. McPhail has to do with seeing after the inspection? A. Only in connection with the order of maintenance paint which is for all lighthouses and which amounts to 7,000 or 8,000 gallons.

Q. How do you arrange with Mr. McPhail to know that he is looking after the matter? A. We get these tenders in with the deposit checks and we take the lowest price in each individual case. The deposit check is something like \$200 from each manufacturer. Then, the order is placed and a copy of that order is immediately sent to Mr. McPhail so that he could know who gets the order and his inspectors get the tenders and go to the factory of the party who has the order and see that the ingredients are tested when they are approved I presume a sample is sent back again. When the paints are being made I understand that an inspector from the lighthouse depot at Prescott goes to the different factories and sees that the order is made up strictly according to specifications. After the paint is delivered tests are made of the paint and I understand it is difficult to make an analysis of paint when once the ingredients have all been put together. In discussing that some time ago with a gentleman he informed me that these ingredients underwent certain chemical changes when once they were mixed. Then, when the paint is delivered the tins are measured to see that they contain a full Imperial gallon. Last year one of the paint manufacturers was obliged to supply us with 145 gallons in addition to what he had already supplied on the order on account of it being discovered that all the cans were not full Imperial measure. All reasonable precautions are taken to see that everything we get is in proper order and according to the tender, and that applies to everything we purchase in the same way. For instance, all the chain we buy is Lloyd tested chain. That chain is tested by Lloyd's in England and a certificate must come with the invoice for the chain, and unless it is received it is not paid for. For instance, we had a case recently where a privately tested chain was supplied by Hinckley & Sons of England. The private test was fully equal to the test of Lloyd's and we got a certificate with the test of it. There was some correspondence about it and we informed them that all the chain we bought was Lloyd's tested chain.

Q. Speaking of the paint for the lighthouses, after all that inspection has taken place, what is there to prevent the substitution of inferior paint for the kind you have purchased? A. By whom do you mean the substitution would be made?

Q. By the people who sell? A. By the manufacturer?

Q. Yes? A. The paint has got to be put up under the supervision of our own inspector. It bears a special label written in French and in English with the name of the Department of Marine and Fisheries on it and also instruction is given on the label as to the best manner in which to use the paint. Then, it is put up in special cases containing so many tins, and it is shipped, and after that the paint is distributed.

Q. And with all that inspection and labelling and shipping you have nothing to do? A. No.

Q. Having made the agreement for the paint in that way, the matter ceases to be of any interest to you afterwards? A. No, I would not say that. Mr. McPhail looks after the inspection and so on, because he has the staff to do it.

Q. When does it come under your jurisdiction again? A. The only time it would come under my notice again would be as in the case last year when there was this shortage in the tins delivered and the tins were found not to measure a full Imperial gallon.

Q. But ordinarily, the matter would not come before you again? A. If they got the full amount and the paint was satisfactory the only thing I would see again would be the account for that paint which would come back from the lighthouse depot to

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the effect that they had received so much paint from these people and that the quality was satisfactory.

Q. That certificate has to come to you? A. It has to be on the invoice.

Q. Do all the invoices have to come to you? A. Every one goes through the department.

Q. And you have to certify? A. I have two clerks who have power to certify.

Q. The certificate of your office has to be given? A. My name has to appear on every one of them.

Q. That is the last certificate that appears on them? A. That is the last.

Q. You really have to certify to the price of them? A. I have to certify to the price and as to the fulfilment of the contract that all the conditions have been fulfilled or otherwise the account would not be passed for payment.

Q. We will leave that particular case and take the paints that are supplied for Sorel which is the particular case we are dealing with at the present moment. You buy a certain quantity of paint for Sorel; is that bought by specification? A. No, it is simply pure paint. We buy pure paint there and we have endeavoured in cases of that kind to regulate the quantity of each kind of paint supplied. In the case of Sorel there are certain paints a very small quantity of which would be used such as Prussian blue which they do not use much of. In the case of Sorel, and in the manner in which they want their paints and the kind of paints, it will be very difficult to get paints made up to specification. In fact, I could not get the manufacturers to do it. You take in the present instance with this large order for maintenance paint, Sherwin-Williams absolutely refused to supply a paint made up to specification; they would not bother with it, they are too big. The other people often say to us why want specifications, let us supply our own brand, our standard paint is as good or better than your specifications.

Q. In practice now then with regard to the relative values, how could the best brand of paint of one manufacturer be compared with the best brand of another manufacturer? A. In a great many instances I think it could.

Q. Let us take a practical instance, suppose you have a requisition for a quantity of paint and you send out to half a dozen different manufacturers to get their prices and you find one cheaper than the other, the cheapness may be due to a difference in the quality? A. Yes.

Q. Although he claims it is the best paint they produce, still the best paint produced by one concern may be better than the best produced by another concern, and how could you arrive at a decision as to the question of quality? A. Unfortunately we have in the past bought paints, and unfortunately we have bought other articles which do not lend themselves to the specifications or to a test of any particular kind for a comparison. I have bought cheap goods chiefly to remove the possibility of criticism which is always brought against a government purchasing branch when the lowest tender is not accepted and an ulterior motive may be attributed on account of having overlooked the lowest price. As a consequence of that we always take the lowest price in every individual case except when we know that the article cannot be supplied for the money, and that the man must either steal it or that the article cannot be of a certain quality if supplied at that price, and when we are absolutely certain as to that we eliminate the lowest price. But, in 99 cases of 100 the lowest price is always accepted. It is for that reason with regard to paints, that we have tried to eliminate the jobbers and dealers and go right to the manufacturer.

Q. We really get down to this, that you deal as far as you can with a certain number of suitable manufacturers? A. We do.

Q. You ask for their number 1 material, the best they manufacture, and you take the cheapest and you are not able under present circumstances to compare the values by any scientific or exact test? A. No.

Q. Your chief work is to follow out the idea of getting the lowest price? A. Yes, and I would spend a lot of my time trying to explain why we did not take the

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lowest price, and a comparison between the different qualities is very hard to get at in some cases.

Q. The comparison between the qualities furnished by the manufacturer and another is I suppose, very hard to get at? A. Yes, and if you take the Canada Paint Company, Sherwin-Williams, Martins-Senour, Bradner-Henderson and Moore & Sons in Toronto, they are all reputable paint manufacturers, whose paints enjoy a good reputation in the market, and I may state that when I ask a firm of that character to quote prices for their pure paint which are supposed to be the best paints they make, they will quote prices on those brands.

*By Mr. Lake:*

Q. Would it not be possible in making your contracts for paints that you should include paints of all other varieties for the different establishments under your department? A. That could be done if the specification was made covering all colours. But in Sorel they use a variety of paints and in that case we buy the pigments. We buy the pigments, the oil, the lead the ingredients generally. I should mention that lead should be kept a year before it is used. It improves with age, and we keep a large stock of it at Sorel. There is a great deal of difficulty in getting properly matured lead from paint manufacturers. The consequence is that we have found we have to do a certain amount of mixing at Sorel and to ensure ourselves we keep a large stock of white lead in Sorel. We are now buying white lead which probably only will be used next year.

Q. Now, in dealing with white lead of which you buy such a large quantity, and which amounts to a considerable sum, what do you do? A. That is sold under government certificate that it is pure and it has to be pure.

Q. You have a regular government certificate as to that? A. Oh yes, they are obliged by law to give a certificate.

Q. Having bought in that way what precautions do you take to see that you get the articles that you bought? A. You are speaking now about paints?

Q. Yes. A. The paints are labelled in the factory under the direction of the inspector as I understand.

Q. I am speaking now about Sorel? A. The only thing about Sorel is that the paints which have to go to Sorel are of course used there and if there is any paint which is inferior or unsatisfactory, why they report the matter immediately. I do not know whether I have the paint file here or not, I think I have, but I may say there was a case the other day where the paint was unsatisfactory; that is a case in point. I got a letter from the director at Sorel saying: "Referring to your request for a report as to the quality of the paint used when ship was in dock last year" this was a report of some ordinary white paint that we got from Sherwin-Williams that they maintained was as good as our special paint and we tested it by painting the *Lady Grey* on the port bow side with one paint and the port stern side with this other paint, and we reversed the conditions on the other side, and let it try out for a year, then, this report on the matter was referred to me, the report continues: "I regret to say it is difficult to furnish a complete report. I am of the opinion that the Sherwin-Williams paint is the most durable for all weathers and waters and consequently it is to be preferred for our work." Then, here is another letter in connection with this matter written by Mr. Papineau to me complaining of the quality of some paints that were tried. He says: "I am advised, with respect to the last supply of golden ochre, pure quality, 500 lbs., P.D. Dods & Co., at 3½ cents, that the covering quality of the paint is very poor." That was a case of buying cheap. I wrote to P. D. Dods stating that the paint was poor quality, stating if they would refer to my inquiry that the paint supplied on the specification was to be of pure quality. I told them that an inferior paint had been supplied, due no doubt to a misunderstanding as I was satisfied they did not want to supply inferior paint. I

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told them that I had written to the government director of shipyards at Sorel to return the paint saying the department could not accept inferior paint and requesting that they would make arrangements to replace it with good quality golden ochre as promptly as possible. I had a letter from P. D. Dods & Co. stating that the golden ochre would be taken back, but unfortunately it was used before it could be returned.

*By Mr. Ducharme:*

Q. What is the date of that letter? A. March 15, 1912.

*By the Chairman:*

Q. The paint was used and not returned? A. It had been used. We paid 3½c per pound for that paint and we could not expect anything else. I found afterwards you could not get good golden ochre for any such price as 3½ cents.

Q. And they agreed to give good golden ochre for 3½ cents? A. Well they consented to take it back. I have here an inquiry on the 4th of January, 1912, which states that the paint supplied in this requisition must be of the best quality in the respective lines, the oil pure and the turpentine pure, and if the shipment is not satisfactory it will not be accepted.

Q. Tell us the effect of that? A. They quoted a price of 3½ cents on that.

Q. They agreed to supply you afterwards with good paint and to take back the other? A. Yes.

Q. That shows they recognized that the paint was of poor quality and that they ought not to have supplied you with it? A. It was poor.

Q. And inasmuch as the poor paint was not taken back they should have refunded you something? A. The article was used before it was returned and there is no doubt it was worth what we paid for it but it was at too low a price to be pure.

Q. That was their own fault. If they made a mistake in the first place they either should have corrected it by giving you a certain quantity of good paint or they should have refunded you? A. They were quite willing to take the article back and to pay the freight, but unfortunately it had been used up.

Q. The net result is that they were paid for an inferior quality of paint? A. Yes, but not at the price of good paint.

Q. They were paid at the price they agreed to take for good paint? A. You cannot get good ochre for 3½ cents a pound.

Q. Did they agree to give you good paint for 3½ cents a pound? A. Yes, because that is what we asked for.

Q. Then they agreed to undergo a loss if they could not sell it at that price and they escaped a loss by selling poor material? A. Let me see what they say in their letter about that, no doubt they referred to it. They say: "We duly received your favour of recent date with regard to 500 lbs. of golden ochre furnished your department and which has not been found up to the standard required by the department. Our Mr. Dods has explained to you no doubt that we have golden ochre of a higher grade and we have to quote 6 cents a pound for it delivered at Sorel; we will be glad to exchange the goods if you consider it necessary."

Q. Where is the original order? A. The original order would not be here: the orders do not go on file.

*By Mr. Lake:*

Q. Do I understand they agreed to supply you with good golden ochre at 3½ cents, but they said they would supply you with better at 6 cents? A. That is what they state. That is just an incident in a business house of this kind; we have matters like that cropping up, not every day but frequently. Referring to the statement they say golden ochre but they do not say pure. We asked them for the best quality; it is a well known fact that paint not marked pure paint is not pure.

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*By the Chairman:*

Q. They knew that you required the best quality paint and they did not quote the price for the best quality? A. There is no doubt about that. The specification says: "The paint supplied by you must be the best quality in their respective lines."

Q. On the 14th of January, 1912, a requisition goes out for, amongst other things, prices on 500 lbs. of golden ochre paint. There is a note at the bottom of that the requisition which says: "The paint supplied on this requisition must be the best quality in their respective lines." In reply to that P. D. Dods & Co. quote golden ochre in oil at 3½ cents, and later on it turns out that it is not the best quality? A. You could not get the best quality at that price.

Q. But that does not make any difference, they quoted it at that price? A. They did.

Q. On the 8th of March 1912 you wrote to Dods & Co. that the golden ochre supplied in their order 772 is very poor quality and of little or no use in the department? A. Yes.

Q. On March 15th they replied acknowledging the receipt of your letter and stating: "We understand our Mr. Dods has explained to you that we have golden ochre of higher grade and we beg to quote our pure golden ochre at 6 cents per pound delivered or freight prepaid to Sorel." And then they go on to say: "We shall be glad to know what your wishes are in the matter and to change the goods if you consider it to be necessary;" you do not know whether that meant that they were going to substitute their best quality at the same price or whether they were going to supply it at a different price? A. I would take it that they were going to supply it at a different price.

Q. And when you made the inquiry the poor stuff has been used up? A. Yes.

Q. And when you sent out your requisition you intended as the note at the bottom testifies to have the best that was made? A. That was the intention.

Q. That was what you asked for? A. Yes.

Q. And when you got 3½ cents a pound quoted you understood it was a quotation for the best? A. To be perfectly frank with you—when all these tenders come in, a tabulated statement is made showing the lowest prices for each person, then they are brought over to me and the prices are marked in red and I initial them and that means that the order must be placed with the person quoting the lowest price. I have no recollection of having seen that price of golden ochre at 3½ cents and if I had I do not think I would have known whether that price was quoted for their best grade or their medium grade, at the time. I have since found out it is impossible to get pure ochre for 3½ cents a pound.

Q. If you had seen the price of 3½ cents and if you had known that was an impossible price for the best material you would not have accepted that price? A. I would not.

Q. You would still stick to requiring the best material? A. I would if I knew it.

Q. And consequently you are not conscious of having noticed it at all and they got the order because it was not noticed that the price was too low? A. They got the order because they were evidently the lowest price on the article.

Q. And because you had not noticed the price was too low for good material? A. I do not think I had any knowledge on the subject as to whether good ochre could be purchased at that price at the time, but I found out since this matter came up that it cannot be sold at that price.

Q. Your effort is to get the best, and if you had known this was not the best you would not take it? A. Well, not the best, but good in quality. In the matter of fact in the case of paints we do try to get the best quality because I consider it is economy to buy only the best quality.

Q. That points to a difficulty which seems to me to occur in buying paints for Sorel and places of that kind—in that case evidently that paint was not examined or tested when it came in? A. In Sorel no.

Q. And consequently you had not the slightest intimation it was bad until it was used up? A. Yes.

Q. And that may happen with regard to any material? A. It might happen, but it is more likely to happen in connection with materials like paints and oils where the defect is not visible to the eye.

Q. We will take the two cases that you have already referred to this morning, one is maintenance paint and the other is chain inspection, when such articles go to Sorel—we are dealing with that place only now—what precautions are taken to make it certain that you get the goods that you really intended to buy? A. Well, there are standing instructions to all our agents to report any material which may be supplied which is not in every way satisfactory and these reports we get quite frequently. I had a report yesterday from the agent at Halifax to the effect that some mooring shackles and pins were not satisfactory.

Q. That is all right when you do get a report but what about those dozen and one things where you do not get a report? A. Well, for instance, take the case of purchasing oils, all our oils are bought on specification. We have a three years contract which is on the eve of expiring now. We take periodically, every three months or six months samples of the oil supplied and they are sent to the Canadian Inspection Bureau and an analysis made of the oil and a report sent to us. Then, all our maintenance paints are bought on specification and the Commissioner of Lights takes all reasonable precautions to see that they get what they are supposed to get. In connection with a place like Sorel we are absolutely dependent upon them there to inform us if anything is unsatisfactory. We are absolutely in their hands in that respect. If they do not advise us that the articles are poor in quality or unsatisfactory for their purposes we will not know. But, in Government work I have found out that our agents are never backward in coming forward in complaining about the quality.

Q. Generalities are a general thing and it is better that you should not be too general—you having sent out an order for the goods, what steps do you take to inform the place for which the goods are intended as to the quality of the goods which you have paid for or agreed to pay for? A. The goods are never paid for until they have been received, checked and passed upon by the local storekeeper.

Q. But what has the local storekeeper got to show him what you intended to buy? A. He has an exact copy of our order, a duplicate in every respect, and on which the price and quality is marked.

Q. Do you send that to him when you send out the order? A. Absolutely the same day, it shows the terms of payment, the terms of shipment, who the order is placed with, the price paid, and all information.

Q. How does he know as to the particular quality of the goods? A. It depends on the nature of the goods you are buying; you take dry goods, we buy flannelette, flannel, cotton, chamois skins, bunches of articles of that kind. If we buy to sample the samples are forwarded to the agents at the time the orders are placed in order that they may be kept on file, in order that they may be compared with the goods when received.

Q. What do you mean by the agent? A. The local man at Quebec or Halifax, as the case may be.

Q. Or Sorel? A. No, it would be the same thing there, but we do not buy any dry goods for Sorel, they have nothing to do with the lights.

Q. You send specimens as far as possible? A. Yes, for instance, we buy brooms and we receive a sample of the broom and saw the handle off and send the broom to Sorel, or if we buy paint brushes we send a sample to Sorel; in the case of everything

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we buy in that way a sample is always sent to the place where the goods are delivered.

Q. With reference to Sorel particularly, does not that system largely depend upon the faithfulness of the agent at the receiving place in examining the goods? A. Oh, yes, it depends on the storekeeper undoubtedly.

Q. Does your department maintain any very close supervision over the various storekeepers to see that they are active and up to their work and attentive to questions of that kind? A. I do not know of any general supervision, or rather I should say of any particular supervision.

Q. What has struck me—and I am asking you for your opinion as we go along—is that one of those weaknesses which appears to me is lack of intimate touch by frequent inspection between the department and its various branches outside. What you say may be true with regard to some agencies, but so far as I can judge from what we have seen and heard about Sorel, Sorel has been treated almost as though it were cut off and cast away? A. I am quite prepared to admit that there may be grounds for such an impression.

Q. If the department had said to itself: We are creating Sorel shipyard for political purposes and we do not expect it to do anything and we do not care a hang if it does anything or not, we will put a director down there and we will leave him alone; if that has been the policy I can understand what has been done at Sorel? A. Of course, I may state in explanation that Sorel did all its own purchasing up to the November of the year I was appointed, namely, 1908. They did their own purchasing there irrespective of the department and they were separate entirely. They bought what they liked and where they liked.

Q. Have you prepared the results in any way in Sorel in the matter of prices since you have gone into office or since the change has been made and before that? A. In a general way I have.

Q. What has been the result in your opinion? A. The result has been that we have bought at lower prices.

Q. Considerably lower? A. I cannot say considerably lower. While Mr. Desbarats was there the purchasing was done very intelligently, and especially so considering that he did it himself in addition to supervising the work of the shipyard.

Q. He was an efficient man? A. He was.

Q. Mr. Papineau was in his present office some time before you got into your present office? A. Yes, I think Mr. Desbarats was up in Ottawa when I was appointed.

Q. Mr. Desbarats had gone out in the meantime? A. Yes.

Q. Have you taken any trouble to compare the prices you pay with the prices paid by Mr. Papineau before you took the purchasing over? A. I do not think so. The only thing I remember about that was that at the time of the Cassels investigation there was a list of prices submitted as to the Sorel shipyard comparing with what they were paying as compared with the balance of the department. I have that list somewhere. I kept that list before me for some time, and I noticed that we were buying to better advantage. Of course, we were buying larger and probably we were getting the advantage of that. In fact, we were not doing anything else but the buying and we were probably in a position to buy to better advantage.

Q. Taking into consideration not what does happen but what might happen, the storekeeper at Sorel might in collusion with the firm or person supplying make all your precautions in purchasing absolutely useless? A. Absolutely.

Q. Because he has to check the quantity and quality? A. Yes, and to report on them.

Q. And consequently if he were effective in his work and acting in close touch and harmony with you, that would be a good system, but if a check was not kept on him and if harmony did not exist between you it might be a very bad system? A. Yes, if the storekeeper was dishonest.

Q. Or negligent? A. Or negligent. There is no doubt about it that a dishonest merchant or firm who wanted to rob the department could send fewer goods than were purchased or goods of inferior quality than those called for in the notice, and if the storekeeper certified that he had received the full quantity and that the goods were of the quality demanded, when they were not, then our purchasing department would be gone, lock stock and barrel, hook, line and sinker.

Q. You will admit that for the purpose of completing the system which you are carrying out it is necessary that the local representative should certify accurately as to the quantity and the quality of the goods received? A. There is no doubt about that at all.

Q. And, would you suggest that it ought not be left in the hands of one local man alone to do that, but that there should be some supervision over him? A. The intention, I think, is in the appointment of Mr. Tremaine to do exactly the very thing you suggest for the future.

Q. I am talking about the existing system and the need for closer inspection and closer touch with the department here? A. That closer inspection and closer touch with the department will be provided in the future by Mr. Tremaine. He has been appointed inspector of agencies. Frequently things come up which would involve the necessity of my going to Quebec, or one of my clerks going to Quebec, and unfortunately we have not the time to spare. I have been trying to get to Quebec for the last three weeks and I have not been able to get there yet. We have had no person in the department whom we could send out and do work of that kind because we have all the work we can do here at the present time and we could not spare a man from the work at Ottawa. Mr. Tremaine, I understand, will do nothing else but visiting these agencies and examining the manner in which the stock is kept up, and the entries in the books, and checking it. He will be a real inspector of agencies, and if he performs the duties he should perform there is no reason why the service in that respect should not be kept in a high state of efficiency. As it has been up to the present, there is no doubt about it there has been that lack of supervision which probably results—I do not say results but offers opportunity for a certain amount of—

Q. Dishonesty? A. I would not say dishonesty—perhaps I should say lack of attention to the work.

*By Mr. Lake:*

Q. Regarding that shortness in the quantity of the paint supplied, was it on only one occasion or did it occur on more than one occasion? A. This was on one occasion and it was rather surprising to me. I drew the attention of all the manufacturers to the condition under which they were supplying the paint to us and they all stated that there was no intention of robbing the public. But, if the condition exists which we found to exist with regard to the supply to us in that case, there is no doubt about it the public are paying for paint which they do not receive. In the ordinary gallon tin it does not contain an Imperial gallon, at least the tins that were supplied to us did not.

*By the Chairman:*

Q. That no doubt where a difference arose between the common gallon and the Imperial gallon? A. I do not know as to what they call the common gallon, but we buy everything by the Imperial gallon, and we were not supplied with it on that occasion.

Q. They may be made up in what are called gallon measures and which does not contain an Imperial gallon? A. There is of course the wine gallon which is one-fifth less than the Imperial gallon.



## SESSIONAL PAPER No. 57

*By Mr. Ducharme:*

Q. When you send out this requisition to the different manufacturers, the quantity required by you is marked on it? A. The quantity asked for is always marked on it.

Q. Who are these requisition forms sent to? A. The original come to me, the duplicate and triplicate are kept in Sorel.

Q. Now, suppose the firm which gets the contract cannot supply you with the quantity asked for in the requisition, what happens? A. I do not know that I understand your question. Do you mean, if for example, we placed an order with a firm for a gross of paint brushes and they can only supply ten dozen instead of twelve dozen?

Q. Yes. A. They would invoice us for ten dozen and advise us there was a shortage on their part for that particular style of brush.

Q. Who would they advise as to that? A. They would probably advise me that they were shipping ten dozen in place of one gross and the invoice would go down for ten dozen. It is not an uncommon occurrence by any means to find that stuff is short shipped and that is immediately brought to our attention and to the attention of the shipper and it is made good.

Q. You would send a copy of the order to Sorel? A. Yes, a copy of the order goes to the man who receives the goods.

Q. What about the notification when you receive information that the order cannot be supplied? A. We would immediately notify the agent to say that the firm supplying, for example brushes, were shipping ten dozen instead of twelve dozen.

Q. And a copy of the invoice would go to the agent showing the shortage? A. Oh yes, but we might ask them at Sorel: Do you want the other two dozen? And perhaps their answer would be that ten dozen would be sufficient and if they say ten dozen is plenty we cancel the order for the other two dozen. The party who receives a copy of the order also receives the invoice and he must certify that the goods have been received and that the quality is satisfactory before we pay.

Q. Is it possible that the delivery of the goods could be made before the receiver of the copy of the order is made aware that the order will not be filled in full?

The CHAIRMAN.—Suppose that did happen what difference would it make?

Mr. DUCHARME.—He might make a return that the goods were received.

The CHAIRMAN.—He makes his return on the face of the invoice.

Mr. DUCHARME.—I do not think so.

The CHAIRMAN.—Oh yes, he has to certify on the face of the invoice. The certificate must be on the invoice proper. It is not filled in on any regular form or anything like that; it must be on the face of the invoice.

*By Mr. Ducharme:*

Q. You say you keep a store ledger? A. Yes.

Q. These store ledgers have different columns? A. Yes, to show inward entries and outward entries and the difference between the two of course would represent the stock on hand.

Q. These books are kept at the different agencies? A. They are kept by the storekeeper or his clerk in each place.

Q. Do you keep a record of them in the department? A. No.

Q. What kind of paint do you use on the vessel under water? A. In Sorel we use red lead.

Q. You don't use any of this bitumetic paint? A. No. There are a number of paints with a metallic basis. We do use a little Esto paint, but on our ships we use what is called Iron Duke. It is recognized as a good preservative paint, but we also

use the Esto which is cheaper. The Iron Duke sells for \$1.65 and Esto sells for \$1.50; in Sorel for under water work we use red lead.

Q. Did you ever try Pritchard's Blue? A. Yes. Pritchard's Blue is the basis of Iron Duke paint; it is a splendid preservative. Iron Duke is a copyright brand and it is only made I think by Martin-Senour who are the agents for Pritchard's Blue.

*By Mr. Lake:*

Q. I want to get a better idea in my mind of the way in which tenders are called for; do you call for tenders for the supply of a certain list of articles for the whole year? A. No, we do not.

Q. In every case you do set down in advance the quantity of paint that is likely to be used during the coming year and call for supplies for that? A. No.

Q. How do you make up your mind as to what quantity and as to the nature of the particular articles you are going to call for tenders for? A. This is just the idea we have in mind; as I stated before, on account of the Government carrying no insurance it is not our policy to buy a year's supply and carry it in stock. It has been my experience that it is not policy to buy as the Public Works Department buy or as other departments buy where they call for tenders for the year's supply, to be taken as required and on that order and in that kind of tender they require a merchant to quote prices. If there is a tendency in the market to rise, the contractor tries to get the purchaser to take deliveries for some reason or the other. I have found that you can buy to much better advantage by buying for your requirements at the time being. When I say that of course I mean buying a supply for the next three or four months. We do all our heavy buying in the spring, our line of supplies for our boats make it necessary at the time and in the fall our orders will be very much less than they are now; we will have enough paint and some other articles to carry through the winter.

Q. And you are satisfied that you can buy better by this system than the system which prevails in the Public Works Department? A. That is my contention.

Q. When you call for tenders I suppose you call for several different articles? A. Yes, sir.

Q. Do you call on each requisition for a special article or do you lump together a lot of requisitions and call for quantities? A. We might say to-day as the requisitions come in, of course we have two requisitions come in together, one from Halifax, one from St. John we will say, we would lump them together.

Q. You would say we have requisitions for such a thing to be delivered at such and such a place on a certain date and you would ask the firm what they would supply that quantity for? A. Yes.

Q. You wait for a requisition to come in and you call for tenders for the goods called for on the requisition? A. Yes.

Q. And that requisition may cover a variety of articles? A. Yes.

Q. And one contractor will tender for a lower price for one of these articles than another contractor will? A. I may say that we ask all our agencies to put dry goods and hardware on the same requisition. For instance, a requisition would contain a demand for certain hardware and other kinds of hardware and it would not call for dry goods.

Q. In the case of hardware, of course there are different kinds of hardware and one merchant may say in his price that he would supply such and such a kind of hardware at a cheaper rate than another would while the other would tender for other kinds of hardware? A. Oh certainly they do that.

Q. What would you do then: do you divide up the contract? A. Undoubtedly.

Q. And the man who has quoted lowest on shelf hardware gets that part of the order? A. Yes, but if his order is lowest on hammers he gets the order for hammers and if his price is higher for axes he does not get the axes.

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*By the Chairman:*

Q. Do you find that some of them say: We quoted the lowest price on that particular article because we expected to get the whole order? A. Frequently. We had one case in Halifax yesterday where a man stated prices on chains and shackles and he only got the shackles and he refused to accept the order. He said he quoted on the assumption that he was to get the whole order and he would not take the small part of it. The difficulty we have with tenderers is that if we do not accept the lowest tender some man will write in, and complain to the Minister that he was low, on the shackles for example, and he will ask what price was paid for shackles and if he finds it is higher than his he will complain that he was not getting the business. The shackles might be a very small part of the tender but there is no use trying to explain to him why he did not get it his price being the lowest.

Q. You give out your orders on unit prices and not the bulk prices? A. We never take the bulk prices except in some cases. For instance, it is my intention to introduce it in connection with chains, shackles and so on to say that the lowest price bulk sum price will be accepted and he will make that a condition. There is not a chain made in this country and invariably the quotations are obtained by cable and under these circumstances it is not fair to the merchant to give him part of the order for shackles which would amount to only \$25 when the order for chains would amount to \$1,000.

Q. With regard to the lighthouse supplies you do not wait for requisitions from the lighthouses, you buy most of your supplies in large quantities and send them to your agencies, don't you? A. No. The principle upon which the requisition in the case of lighthouses is made is this: When the inspector makes his call of inspection he takes an inventory of what they have on hand and makes out a statement of what will be required for that station, oil, lamps, &c. These requisitions are all sent to the Commissioner of Lights. They are bulked together. Then, I get a requisition from the Commissioner of Lights for so many hundred galvanized iron scuppers, so many thousand pounds of soap, so many dozen of towels and so forth, and these are purchased to be shipped to the different agencies. There these goods are put into stock and when the steamer goes out the material is put on board and a regular invoice made out to each station. The stuff is packed into boxes and the light keeper signs the receipt that he got the goods.

Q. You supply the agencies and the agencies supply in turn to the light house stations? A. The agencies act as distributors to the stations.

Q. And in buying you pay for delivery to the several agencies? A. In nine cases out of ten we do; we sometimes pay for delivery to different places but invariably it is to the stations.

Q. And in buying for the agencies in that way do you try as far as possible to buy in the province where the agency is located? A. Yes, we do. If the supply is for the Halifax agency we confine our inquiries to Halifax so far as we can do so, but sometimes in connection with some lines we have to go outside. The same thing applies to the other provinces. In Quebec we endeavour to buy there. We buy in the localities from the merchants there provided we can get reasonable prices and a good article. If we cannot get good prices and a good article we go outside. The policy of the department is—it was the policy of the late government and it is the policy of the present government—to buy as far as possible in the province for which the goods are to be purchased.

*By Mr. Lake:*

Q. In the case of the oils and paints, do you buy them on a requisition for a year's supply? A. Well, yes, for the spring supply for the paint houses we buy our paint from year to year, or may be for two years. These lighthouses have to be kept nice and clean and neat and they paint them more frequently than is perhaps required, but it is the custom to do so.

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Q. Don't you think that when you are requiring a certain quality of paint the greater amount you can buy at one time the more likely you are to get a better price? A. For the lighthouses the paint is bought once a year. It is what we call maintenance paint and is used on the sheds and dwellings and in the houses of the lighthouse keepers.

Q. And I suppose you would have trouble if you did not accept the lowest tender on any particular article? A. Yes.

Q. It would appear to me that if you do send to a limited number of firms selected by yourself that you are bound to accept the lowest tender in every case? A. I follow that practice. I have never accepted any price except the lowest unless I have gone to the Deputy Minister and to the Minister himself invariably and explained the matter to him why I did not accept the lowest tender and showed that it would not be in the interest of the public to do so.

Q. You said you satisfied yourself as far as you could as to the consumption of a particular article and also as to the amount of that article on hand before you authorized an order? A. Yes.

Q. When I was at Sorel the other day I noticed a number of sets of new harness hanging up; how would you satisfy yourself as to the necessity for a requisition for new harness? A. We buy harness once a year for Sorel; I do not know how many horses they have there now, I think 8 or 10.

Q. 11? A. We buy harness once a year for Sorel and we generally buy half a dozen collars and things of that kind, but I would be rather surprised if there are many new sets of harness down there.

Mr. LAKE.—There are certainly a number of new sets of harness hanging up and they also have a man there all the time repairing the harness.

*By the Chairman:*

Q. I suppose in a case of that kind you have to accept the requisition and you do not know yourself personally whether the thing is worn out or not? A. If a man comes to me and tells me that he has to have such a thing and I consider it is a large order I say that is a very large order and I do not know what you are going to use it all for. But, I must proceed on the assumption that it is needed when an officer asks me for it. A man may ask for more than he wants, or he may waste what he has on hand, but I am bound when I get a requisition as the responsible officer of the department to accept his statement on that, and I have to go on the assumption that all the preliminary checking has been done and that the article is required.

Q. And if a dispute arises between you and the head of some branch as to whether things are necessary or not, you have to submit, I suppose? A. Oh, no, it frequently happens that I do not buy. I have cut down requisition after requisition and it is a matter that frequently occurs. If I refuse to buy an article then it is for the party who makes the request to see the deputy about it and I can make my explanation to the department. But, I have frequently refused to buy things and they have never gone to the deputy yet.

Q. Will you explain what the present practice is with regard to designs for construction at Sorel? A. Up to the present the Sorel shipyard have been building dredges on designs submitted by Mr. John Kennedy, of Montreal. They have also I think, a Mr. Robinson who designed some dredges for the government.

Q. Who is he? A. He is a mechanical engineer, he is a dredge expert. I do not know of any person else who has sent in designs. At the present time Mr. Duguid, our naval architect at Ottawa, has completed designs upon which we have called for public tender.

Q. Designs for the Sorel shipyard? A. They are intended for the St. Lawrence ship channel, but I think intended to be built in Sorel.

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*By Mr. Lake:*

Q. The engineering staff at Ottawa makes no designs for the Sorel shipyard at all? A. No.

Q. And any designs that have to be made for there and which are not supplied by engineers at Montreal or who are otherwise employed for that special purpose, are made by the designing staff in the Sorel shipyard itself? A. Yes, for instance, in getting out a public tender for scows &c., they are got out there.

Q. Everything except special designs for a dredge would all be got out down there by the designing staff? A. I think so. They got these designs from Mr. Kennedy and I think they were paying him so much percentage on the cost.

Q. These are special designs for a particular class of work? A. Yes, sir.

Q. But the ordinary routine designing work and designing of that sort would be done at the Sorel shipyard? A. Yes.

*By Mr. Ducharme:*

Q. Have you naval designers here in the department? A. Yes.

Q. As to the system of giving orders from day to day, don't you think that that system is objectionable on account of the delay in the delivery of the goods? A. In what way?

Q. Because by the time you get a requisition and then send out letters and wait for answers, and then give an order, the delivery of the goods would be delayed? A. I know, but it must be borne in mind that with reference to the goods asked for, they are not completely out of stock. We carry ample stock at our agencies, and it is merely replacing the stock.

Q. In the case of paint, they will have stock of all these paints they are asking for? A. The requisition is to replace them. In any event you would be surprised at how quickly the goods are delivered. I know that it does not take more than five or six days in most cases from the time the requisition is received until the goods are delivered. I may state that in buying for every day's requirements instead of purchasing a year's supplies there is a distinct advantage in purchasing as we do. It is more trouble if you will, but in my opinion there is a distinct advantage in it at all events so far as my department is concerned.

Witness retired.

ALEXANDER BOYLE, Chief Accountant of the Marine and Fisheries Department, sworn.

*Examined by the Chairman:*

Q. We were making some inquiries about the Sorel shipyard matters, and I wanted to get some information from you about the stock-books and things of that sort; have you been at Sorel lately? A. The last time I was at Sorel was on the 24th of June last year, 1911.

Q. What were you there for? A. I was there to see how things were going in connection with some work.

Q. Is the accountant at the Sorel shipyard responsible to you as chief accountant of the department? A. Well no, he is responsible to the director of the shipyard.

Q. Then, of course, the director of the shipyard reports to the Deputy Minister up here? A. Yes, sir.

Q. Does the accountant down there send all his accounts in to the director of the shipyard? A. Yes.

Q. As a rule, the accounts down at Sorel are only sent in annually? A. Do you mean for purchases?

Q. We will take the accounts for purchases, they are signed by the director and they come in in the regular way with the usual certificates? A. Yes.

Q. And then, they go to the purchasing agent to be certified? A. Yes.

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Q. Do you have anything at all to do with their annual statements? A. I may say that there is a ship's channel fleet, that is the dredging fleet, and a great amount of the work is done, in fact nearly all the work is done, in Sorel, and there are two votes. It goes to Sorel and then they send the transfer monthly transferring; for instance we have a construction account. We have Dominion steamers, and any Dominion steamers that go into Sorel to be repaired are repaired and paid out of their money. Then they send up a transfer monthly, crediting their vote and charging to Dominion steamers.

Q. And you make a similar transfer on your books here? A. Yes, sir, over to the Audit Office.

Q. Their annual account, which they send up for their report at the end of the year, is not audited by you in any way? A. No, sir.

Q. Then with regard to their stock-books and the like of that, have you any authority over these? A. Not now.

Q. Did you have at one time? A. Indirectly, yes.

Q. In what way? A. For part of the time, up to 1909, I was inspector of agencies.

Q. Who occupies that position now? A. Mr. Tremaine.

Q. Has that been a vacant office since your promotion to the position of chief accountant? A. Well, it is not since my promotion. I was chief accountant, but I acted as inspector of agencies.

Q. Then there was a separation of the offices? A. There was a separation.

Q. Did that separation take place in 1909? A. No, sir, the separation took place, roughly, about November or December of last year.

Q. The actual work of inspection of agencies under you was not, I suppose, pushed very much; you were not able to inspect very much? A. Well, so far as the other agencies are concerned, yes sir.

Q. But not at Sorel? A. No, sir.

Q. That was treated as a thing by itself? A. Yes.

Q. But, nominally, it did come under you? A. No, sir, Sorel is not an agency.

Q. And Sorel, not being treated as an agency, did you inspect it at all? A. No, sir

Q. Is there any inspector in the department under whom that would come? A. I cannot say whether Mr. Tremaine would inspect Sorel or not.

Q. Previously to his appointment, unless it has been changed, there was no direct inspection of Sorel from your department? A. No, sir.

Q. And Sorel's only connection with the department, except in a casual way, would seem to be through the deputy minister? A. Would you repeat the question please?

Q. The only connection of the Department with Sorel would appear to be through the deputy minister and the director at Sorel? A. I would understand so.

Q. You were at Sorel in 1909, have you been there since? A. I was there in 1911.

Q. What purpose were you there for? A. There had been complaints about Sorel and I went down to see how they managed the stock-book in a general way.

Q. How long were you there? A. I was there, roughly, off and on for a month or six weeks.

Q. With reference to the stock-book, did you find when you got there that they had a stock-book? A. Yes.

Q. They had a system of accounts which was in force at the time you got there and had been for some little time previously? A. Yes.

Q. Who was the accountant? A. Mr. Barry.

Q. He has since been dismissed? A. Yes.

Q. Was Mr. Barry there, as accountant, during the Lanctot business? A. Yes.

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Q. When you looked over that stock-book, you found, of course, the usual stock-book, the entries in and the entries out, and so on, did you check it at all? A. I checked it this way: I took various articles, of course I could not go through the whole stock, but I took various articles to see how they worked out, and I found a few discrepancies. That is, perhaps I found one thing or another short, but as a general rule I found it correct.

Q. Did you take an actual physical inventory of anything to see if they agreed with the stock-book? A. I checked a few things.

Q. Just a few articles? A. Yes, sir.

*By Mr. Lake:*

Q. Did you collect these articles yourself for checking? A. Yes. For instance, I would see how many brooms there were in the store and I would count them, and then I would go to the stock book to see how they tallied.

*By Mr. Ducharme:*

Q. In these in which you found a few discrepancies, you would find one short between the book and the requisition? A. It was between the book and the articles that the shortness was.

*By the Chairman:*

Q. I suppose, from the very nature of things, being there alone as you were, you could not do that checking very extensively? A. No, sir.

Q. It was only with regard to the minor articles that could be handled without much trouble that you considered that? A. Yes, sir.

Q. You did not institute with the assistance of the staff down there any general investigation? A. No, sir.

*By Mr. Lake:*

Q. Did you suggest it to them? A. No, I took various things; I took several things that I thought might be hidden away.

*By the Chairman:*

Q. I suppose you were there for the purpose of getting the general drift of the establishment and to see whether it was satisfactory to you? A. Yes, in a general way.

Q. You didn't make a report about it when you came back? A. I wrote several letters while I was down there.

Q. Addressed to the deputy minister, I presume? A. No, addressed to the director of the shipyard and I reported personally to the minister.

Q. Verbally or in writing? A. Verbally.

Q. Have you copies of your letter to Mr. Papineau, when you were down there? A. I think they must be on the file in Sorel.

Q. They are not on the file in your office? A. No, they would be on the file down in Sorel.

Q. You kept no copies of your own letters? A. No, sir.

Q. With regard to the accounts of the shipyard itself and the way they are kept up, how many parliamentary votes are there out of which Sorel receives payment? A. Properly speaking, two.

Q. What is there for Sorel itself? A. In the estimates of 1911-12 there is: "Public Works, chargeable to capital, Marine Department, Vote No. 255, River St. Lawrence Ship Canal, \$841,000.00." Then there is vote No. 256, to provide for the different branches of the dredging plant for the River St. Lawrence, from Montreal to Father Point, \$727,000.

Q. And you say that Sorel is chiefly maintained out of these two votes? A. Yes.

Q. Can you explain how these votes are expended? A. Out of the first, \$841,000 will be paid all the bills for casual repairs of dredging plant made at Sorel and paid for, in the first place, out of the Sorel vote and reimbursed to the Sorel shipyard by the ship channel vote. Out of the \$841,000 there would also be paid all wages, fuel, supplies, and other maintenance charges for the ship channel. Out of the second vote of \$727,000 is paid all bills incurred by Sorel, including all the cost of constructing dredging plant up to the time of its completion. Maintenance and repairs of dredging plant thereafter is carried by the ship channel vote.

Q. If at the Sorel shipyard any repairs are made upon the dredging plant of the ship channel, it would be reimbursed to the Sorel shipyard vote by the ship channel vote and that reimbursement is shown on your books in the department? A. Yes, by transfer..

Q. And such a transfer is made, I suppose, upon the accounts made up at the shipyard, certified by Mr. Forneret? A. Yes.

Q. And you do not make a transfer until he does certify it is correct? A. No, sir.

Q. In the past, the Sorel shipyard would sometimes do work for the Department of Public Works? A. Yes.

Q. And in that case, a transfer would be made in the same manner? A. Yes, sir.

Q. Upon a bill by the shipyard, certified by the proper officer and transferred from your department to the Department of Public Works? A. Yes, sir.

Q. In a case of that kind how does the Public Works Department come to an agreement with you, is it through the Minister of Finance? A. No, sometimes it is done by a transfer, and sometimes we ask for a cheque from the Public Works Department.

Q. When the Public Works does it by transfer where is the transfer made between you two? A. We first of all make a transfer here and send it to the Auditor-General, and he in turn credits our vote and debits the Public Works Department.

Q. And in the department they have to do the same thing? A. Yes, every transfer that is made between us must go to the Auditor-General to keep his books right.

Q. Generally speaking, at the present time, are you not following up one system of transfer now, either by cheque or transfer in your department? A. I am trying to follow up the transfer system altogether.

Q. Instead of the cheque system? A. Yes, sir.

Q. Sorel is not doing much work for any other department at the present time, and had not been doing so lately. The Public Works Department is getting its repairs done there no longer? A. Not many, so far as I remember.

Q. And the result is that Sorel is practically being maintained by these two votes? A. Yes.

Q. You, as accountant, under present circumstances, do not attempt to exercise any inspection or jurisdiction over the Sorel expenditure? A. In what way?

Q. In any way, except that you make the transfer as a matter of course? A. I have no jurisdiction over that; they send in the transfer and it is certified and I transfer it.

Q. What I mean to say is this: the accountant at the Sorel shipyard is not recognized in any way as having any responsibility to you? A. No, sir.

Q. There is no official connection between you, as general accountant for the department and the accountant of the Sorel shipyard? A. No, sir. Even in the case of these agencies, I will not recognize the account there; I only recognize the agency. I deal with the agent; I do not deal with the accountant. That is the



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general system. It is the same in the case of Sorel; I deal with the director of the shipyard.

Q. With regard to the agencies generally, you deal through the agents? A. Yes, sir.

Q. But up to the present time, the bookkeeping of the various agencies has been audited from your department? A. Yes, sir.

Q. Do you have regular travelling auditors who audit the books? A. I have done a good part of it myself and I have sent, at various times, men from my branch to audit and the Auditor-General every year sends some one out from his department to audit our agency books. Once a year the Auditor-General sends a man from his department in order to inspect one of our agencies.

Q. All your agencies? A. Not them all, one or more.

Q. It is a sort of a test? A. Yes.

Q. What does that man do? A. I have been with him. In the first place, he would go into the store and he would check the stock book in the manner that I have described in which I checked the Sorel stock-book. He does that. Then, in connection with the cash, he takes the cash. Then, in connection with the time charged he takes the time sheets promiscuously, and he has asked to see the foreman's reports on one special man and then he has asked me to see the time clock to see if that man was in and various things like that.

Q. He applies certain tests? A. Yes, sir.

Q. He would take their books and look over them and see if they were well kept; how long would that inspection last when you were there? A. Between three and four days.

*By Mr. Ducharme:*

Q. Just the one agency? A. For the one agency.

*By the Chairman:*

Q. One agency, once a year, for three or four days, is tested in that casual way.

Q. That is the best they can do under the circumstances, no doubt the whole value of that system consists in it being unexpected, I presume? A. Yes.

Q. And more effective in its fear than in its thoroughness? A. I suppose so.

*By Mr. Ducharme:*

Q. You do not keep any stock-books in the Marine Department of the goods on hand in your agencies? A. No, sir.

Q. All the stock-books of the agencies are kept in the agencies themselves? A. Yes, sir.

Q. Have you got many agencies? A. Seven or eight.

Q. It would not be such a great trouble to keep the stock books here? A. It would mean quite a lot of work.

Q. How many more men would it take to do it? A. Speaking roughly, I suppose three or four more men, that is leaving out Sorel.

Q. Would that not be a good check upon all these stores? A. Yes, sir.

*By the Chairman:*

Q. I suppose it would have one advantage, namely, that your department could tell at any time what was the value of any stores in any agency in Canada, and I suppose you could not tell that to-day without going to every agency? A. It would act as a check in many ways. The purchasing agent could tell all the material that was in an agency and if they ordered a certain amount of material and he thought they were wanting too much he could tell what they had in stock or what they should have in stock, and then we could tell the value of the material there as the requisition came up.

*By the Chairman to Mr. Doutré:*

Q. What does Mr. Doutré say as to the value of stock-books being kept in the department? A. The way it appears to me is that it would be nothing more or less than a duplicate of the work done at the agencies. In other words, the stock-book would be based entirely upon the returns made by the agencies. It would be, to a certain extent, an extract from their books, and if their books were wrong the books up here would be wrong. If there were discrepancies in the books at the agencies between the entries in the books and the actual stock in hand, there would be discrepancies up here. Mr. Boyle says it would take three or four extra men to do that work, but I think a book of that kind could be kept up here by one or two men at most, provided they had nothing else to do. I think it would be a good thing in this way—if an agent knew that there had to be a return made every month and that there was a man up here at Ottawa expecting it from him, no doubt the stock would be kept closer track of and the entries would be made more promptly. For instance Mr. Boyle has had occasion to go to some of the agencies and he has found that the requisition slip for the material going out had not been entered in the stock-book. Sometimes they would be days behind, due to the fact that some person was away or something of that kind, or perhaps due to indifference.

Q. And the keeping of a stock-book up here in the department would act as an automatic audit to some extent? A. It would.

Q. As to the value it would be to yourself, what have you to say as to that? A. It would be of considerable value to me.

Q. Instead of having to wait for correspondence about stock on hand at the different agencies, you could see it for yourself at a glance? A. And not only in respect to having to wait for correspondence but it would be a check because by referring to that book, if the reports were right and the stock properly checked, I could tell at any time exactly what they had in stock at the end of the previous month. Of course, it would also mean considerable more work on the part of the storekeeper at the agency.

Q. I think that most of them are not overworked, from what I have heard? A. Perhaps not.

Q. On the whole, I suppose you think it would be a good thing for you? A. At the same time, there is ample staff at most of the agencies to look after that work. You take the stock at a place like Sorel, where we have a stock of from \$80,000 to \$125,000 and that would require some looking after.

*By Mr. Lake:*

Q. The local storekeeper only gives his stores on a requisition signed by the person who wants to use them? A. And initialled by the director or the agent, as the case may be.

Q. All that would be required of him to do would be to make a copy of that requisition and to send it to you? A. It might work out in that way.

*By the Chairman:*

Q. He would simply take out of the proper column in the book the entry as to the number of pounds or yards or whatever it may be that has been taken out during the period, and he would send a statement of that once a fortnight? A. I may say that if they are to send the copies of the requisition up here, we would have great difficulty in getting the books to tally. Some would be lost in the mails and some might not be sent. They should send in a regular statement once a month but that statement would mean sending out a statement almost the size of a stock-book. That is the difficulty I foresee.

Q. There would not be much difficulty if you had your regular printed forms? A. We would have to have printed forms for that, it would facilitate it if we had printed forms for all these.

Q. It would be of great value in making the local storekeeper attentive; he would be keeping himself up-to-date then? A. It would.

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Mr. BOYLE.—The idea is to have a printed form showing the minimum and the maximum in the general stock.

Mr. DOUTRE.—That would only apply to one agency, because the minimum and maximum varies in each agency, but no doubt it could easily be arranged for.

Mr. BOYLE.—That could be done and then when the order comes up we would know whether they are at the maximum or the minimum.

Mr. DOUTRE.—It would take a man's entire time to keep up a book of that kind.

The CHAIRMAN.—Of course it would.

Mr. DOUTRE.—I think it would be money well spent.

The CHAIRMAN.—There is another point in which it would have an advantage, and it is this: there must be considerable delay in your case at times in obtaining information as to the stock on hand and so on before you sign a specification.

Mr. DOUTRE.—There is.

The CHAIRMAN.—And if you were able to go to this book yourself and see how things stood, you could send the order out at once, if you thought it advisable to do so.

Mr. DOUTRE.—It would be of considerable assistance. I may say that this has been mentioned time and again in the department, but it has never yet been carried out. One of the main reasons, I suppose, is lack of space. Up to a few months ago I was working with ten people in a room about half the size of the one we are sitting in at present.

The CHAIRMAN.—Is your department cramped?

Mr. DOUTRE.—Oh, yes, at the present time it is but we expect to have better accommodation in a few months' time, and we require it.

Q. Where are you getting the space from and at the expense of whom are you getting it? A. The chief engineers have gone already and I do not know who is moving now.

Q. Some one has gone out of the building altogether? A. Yes.

Q. And others are going out of the building? A. That is rather unfortunate, and it is not calculated to increase the efficiency of the department, because I have to be in constant touch with all these officials who are leaving.

*By Mr. Ducharme to Mr. Boyle:*

Q. Would there be any advantage in having Sorel treated as an ordinary agency? A. I think it would be an advantage to have it treated as an agency in that I consider it would be more under the direct control of each chief of the department.

*By the Chairman:*

Q. We have thought ourselves of recommending that there should be closer touch between the Sorel shipyard and the department. We feel for instance, that the accountant at Sorel be responsible to the general accountant at Ottawa through the deputy minister, and while he is under the general superintendence of the head man down there, whatever his title may be, yet we think he should have a personal responsibility to the accountant of the department at Ottawa? A. Yes, sir.

Q. On the other hand, we feel that the practical work outdoors down there should be done by a person who would be in intimate touch with the practical work of the department here? A. Yes, sir.

Q. So that it could not be said there was one supreme director down there, who was cut off, as long as he liked, from the department up here? A. Yes, sir.

*By Mr. Lake:*

Q. What responsibility do you feel that you have at the present moment for the correctness of the accounts of the accountant at Sorel? A. I have only the signa-

ture of the director and the accountant, that is all the responsibility I have, as it is just now.

Q. It is purely mechanical? A. Yes.

Q. If the signature is there you would accept it? A. I will not accept an account without checking it, but I have no direct communication with them.

*By the Chairman:*

Q. It is purely formal at present. Under the other system we have thought of making the accountant at Sorel responsible to you directly and then you would feel it important to have a frequent inspection of his bookkeeping methods? A. Yes.

Q. And then you would go yourself, or send some of your men in the department, periodically, to have an audit made of the works at Sorel? A. Yes.

Q. And to see that things were kept in good shape? A. Yes.

Q. And that you don't do now? A. No, sir.

Q. Don't you think that would be very valuable? A. Yes, sir.

*By Mr. Ducharme:*

Q. Of course, there would be the question of sending cheques to the workmen for their wages? A. Of course, we pay them by cheque now; we have to pay them by cheque.

Q. Not at Sorel? A. Yes, sir.

Q. You send your cheque in a lump sum? A. No.

Q. You pay them man by man? A. Yes, sir, the men are paid by cheque now since the month of November last.

*By Mr. Lake:*

Q. These cheques are drawn out in the shipyard? A. Yes, but they come up here and we check them with the payroll. Then we send the payroll and the cheques over to the Auditor General and that ensures that John Jones got so much. That is the idea of the cheque system.

Q. For the payment of the dredging fleet the bills are drawn out and passed upon by the paymaster at Sorel? A. Well, it is passed upon by Mr. Forneret of the shipping fleet, but the paymaster pays it.

Q. The paymaster at Sorel simply pays it? A. Yes, sir.

Q. Who is the accountant for the dredging fleet? A. The accountant at Sorel takes charge of the fleet payroll too, but he does not pay them. We have a paymaster who goes out to pay them.

Q. With regard to the expenditure for the ship channel that is under Mr. Forneret? A. Yes, sir.

Q. And the books and accounts there are not kept at Sorel but up here in the department? A. No, sir, they are kept at Sorel.

Q. The whole of the books and accounts of all of the expenditure? A. Yes, sir, of course we have the totals up here besides that.

Q. Are they put through the same set of books as Sorel? A. Yes.

Q. And instead of paying that on the certificate of Mr. Papineau you would pay that on the certificate of Mr. Forneret? A. Yes.

Q. Mr. Forneret has charge of the work on the ship channel? A. Yes.

Q. And Mr. Papineau has no control over Mr. Forneret? A. Not in that way.

*By Mr. Lake:*

Q. But, the accountant is under the director of the shipyard? A. All pay-sheets come in to Mr. Blais from Mr. Forneret and Mr. Forneret signs them, and then hands them over to the accountant.

Q. As a matter of fact it is only a sort of convenience which is being made use of to have the shipyard staff pay the fleet bills? A. Yes.

Witness retired.

Public Service Commission

1912

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EVIDENCE

*RE*

Montreal Harbour Commissioners

Department of Marine and Fisheries

MONTREAL, WEDNESDAY, May 22, 1913.

The Public Service Commissioners for Canada met in Montreal at the office of the Harbour Board to-day, May 22nd.

PRESENT:

Honourable A. B. MORINE,  
*Chairman,*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

GEORGE WASHINGTON STEPHENS, Chairman of the Board of Harbour Commissioners for the Port of Montreal, sworn.

*Examined by the Chairman:*

Q. When were you appointed to your present position? A. On the 1st of January 1907.

Q. Had you been a member of the Harbour Board before that? A. Never.

Q. And your present two colleagues were appointed at the same time? A. We were all appointed at the same time.

Q. And at that time the constitution of the port, its geographical limits, and its legal position, were altered as a result of legislation? A. I think we came in under a new Act of Parliament which abolished the old Board and created the new.

Q. In the main, the present Board of Harbour Commissioners have been acting in the improvement of the harbour on what is known as the Cowie plan? A. Yes.

Q. Or, do you know it by another name? A. Would you like me to give you a short history of the matter?

Q. Please do so in your own words. A. The present Commissioners assumed office and responsibility on January 1, 1907. At that time the work on the Harbour was apparently at a standstill. None of the sheds that you now see which have been contracted for were to be ready for business on the opening of navigation of May 1st, 1907. The contracts were in the hands of Peter Lyall & Sons. There was a conflict of opinion between the then chief engineer of the harbour, Mr. John Kennedy, and Mr. St. George the engineer, who had been appointed by the then Minister of Marine and Fisheries to represent directly the Minister of Marine and Fisheries and the Government, and the work was held up. There was a claim for extras on the part of Peter Lyall running into something over \$600,000 I think, and Peter Lyall & Sons refused to go on with the work until the claim was settled. It was a very serious question and it was the first thing we had to devote our time and consideration to. It was met by the appointment of three men, these men being Mr. Holgate, Civil Engineer, Mr. L. A. Audette, then Registrar of the Exchequer Court and now Judge of the Exchequer Court, and Mr. Cowie. Peter Lyall and the Board of Harbour Commissioners agreed to abide by the findings of these three gentlemen who were appointed practically as arbitrators. These gentlemen studied all the phases of these works and the difference between Peter Lyall and the Harbour Commissioners which had been an issue over which they had had trouble for a period of over two or three years, and these gentlemen finally awarded \$330,000 to Peter Lyall as a fair compromise, and that, Peter Lyall accepted, and the Commissioners accepted it also.

Q. Just on that point, was the award made in writing? A. Yes, there is a full report about it.

Q. And was it unanimous? A. Unanimous.

Q. Has it been printed? A. It is typewritten, but it has not been printed or made public.

Q. Was there any protest against that award by Mr. Kennedy? A. Not that I can recall.

Q. Had he ever reported in favour of a smaller amount than that? A. I think not, not to my knowledge.

Q. Of course, I am only asking you about it to your own personal knowledge; do you know of any difference of opinion or objection raised at any time by Mr. Kennedy to the amount given to Peter Lyall? A. No, I think not.

Q. We can have the award? A. Quite so.

*By Mr. Ducharme:*

Q. Was Mr. Kennedy employed by the Harbour Commissioners at that time? A. Mr. Kennedy, when we assumed office, was the chief engineer of the Commission. Shortly after he took office, he was then blind or getting so—we gave him the position of chief consulting engineer, retiring him as active chief engineer and replacing him by Mr. Cowie.

Q. When did this happen? A. All these things happened about the same time in the first few months of our office.

Q. Was Mr. Cowie acting chief engineer for you at the time of the award? A. I think he was, but as to that I am not sure.

*By the Chairman:*

Q. Now, Mr. Stephens, will you please continue on with your history of the harbour improvements? A. In the study of these questions and in our attempting to fit ourselves for the office we came to the conclusion that before starting any general development scheme for the harbour that we ought to get somebody whose experience as a developer of harbours would add power to his opinion in the matter of any recommendation he might make.

Q. One moment now—up to that time had the work by the previous Commission been upon an accepted plan applying to the whole harbour? A. Well, accepted in so far as the shed plan is concerned; that was a definite plan.

Q. And there had been a scheme with regard to the three piers before that? A. Yes, a scheme with regard to the three piers; the King Edward, the Alexandra and the Jacques Cartier.

Q. These three piers had been planned and the piers built? A. Yes.

Q. And the whole were in course of construction? A. The steel was in a skeleton shape on the piers.

*By Mr. Lake:*

Q. A contract had been made with Peter Lyall & Son for the completion of the sheds? A. Quite so.

*By the Chairman:*

Q. Had that building of these piers and the sheds been a part of the general scheme for the whole harbour? A. No.

Q. Was it a detached plan by itself?—A. It was a detached plan by itself.

Q. There was no general policy as was later adopted? A. No, there was no harmonious scheme in sight. In pursuance of our opinion on the matter we appointed Mr. R. C. D. Davidson, Civil Engineer of London, England, on the recommendation of one of the chief engineers of the Forth Bridge, Mr. Heresig, and the general manager of the Port of Britol, England, which was then doing exactly what we were hoping

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to do namely, creating a harmonious port. Mr. Davidson came here and during the summer of 1907 he remained in close touch with the work of the harbour as it went on. He saw the work of the harbour from day to day. He spent in all something like three months here and took his notes and information back and in 1908 he made his report. Then, the Board of Harbour Commissioners for Montreal decided that it would be wise to send their president and chief engineer to Europe to visit the great European ports and study their conditions and make a report upon which might be based a general development scheme of the harbour.

Q. Did you have Mr. Davidson's report when you started for Europe? A. Yes, I think we did; no, we did not have it when we started. His report came in May; I think it took a year to make it.

Q. What time in 1908 did you go across to Europe? A. We left in the month of January; I remember now we did not have his report at that time.

Q. Why did you think it necessary to go across before getting his report? A. Well, that will develop as I tell you the history. The chief engineer and the president of the Commission went to Europe and made a careful study of the European ports and presented their report. After this trip abroad the Commissioners authorized their chief engineer, Mr. Cowie, to prepare a development plan for the port of Montreal. That was done. Then, the Commissioners had in their hands Mr. Davidson's report and Mr. Cowie's report each of which had been independently prepared. Neither Mr. Davidson nor Mr. Cowie knew the report made by the other or anything about it. The Commissioners then had for study as Commissioners these two independent reports on the same problem. Then, they determined to submit these two reports to a Board of Canadian Engineers, five or six in number, consisting, I speak from memory, of Mr. John Kennedy, Louis Coste, Ernest Marceau, Henry Holgate, J. G. Desbarats, and A. St. Laurent. The report of Mr. Davidson and the report of Mr. Cowie were both submitted to this Board of Canadian Engineers and this Board evolved and approved of a development plan unanimously for the port of Montreal which is the plan under which the present work is being carried out, and to the credit of Mr. Cowie I must say that the plan, decided upon by this Board of Engineers, almost unanimously as to each detail, was the plan that Mr. Cowie had prepared.

Q. Was it an absolute endorsement of what was contained in Mr. Cowie's plan, or was there anything new added to it by the Board? A. Well, there were one or two features taken from the Davidson report and plan and suggestions, and they were incorporated in the plan unanimously reported upon by that Board.

Q. Are you familiar enough with this matter to state what these amendments or additions were? A. Oh, yes, quite so.

Q. Then tell us what was taken from Davidson's report. A. Mr. Davidson had been employed in developing the port of Frankfurt in Germany, either in the capacity of consulting engineer or actively. In Frankfurt they have ice conditions in the spring that correspond very largely with the ice conditions in the port of Montreal, with the exception that the ice in Frankfurt is not as thick as it is here. This pair known on the plan as the new Victoria pier is a counterpart of the pier on the Rhine. That is built so that the outside of it is a high level pier and protected and the inside a lower level for the accommodation of the market vessels and small draught vessels. That is practically the one feature that was embodied in Mr. Davidson's plan that is still kept in the Board plan.

Q. That is the one feature which does not owe itself to the Cowie plan but to the Davidson plan? A. Exactly.

*By Mr. Lake:*

Q. Are there any other features of like kind that you know of? A. I think not. There were other things that do not appear on this plan at all that were suggested by Mr. Davidson but they were not found to be in keeping with the local requirements and conditions.



*By the Chairman:*

Q. Was every part of the Cowie plan endorsed at the time or has this been left for future consideration? A. The Cowie plan as presented to the Board went further than the Board were then prepared to endorse. The scheme of damming the river between pier No. 1 on this plan, and across the river at the western end of St. Helens Island, that was planned by Cowie and presented to the Board and the Board I believe approved of it but did not wish to recommend it before what they considered more important work had been given attention to.

Q. And I suppose also because of the large expenditure of money involved, and it was reserved for further consideration? A. Quite so.

Q. Is that about the only main feature of the Cowie plan which the Board did not for the time being adopt? A. I think so, yes.

Q. Did the Board add anything of material value to the schemes of the two men? A. Yes, the work of that Board eventually was particularly valuable in scheming out a modification of the entrance of the Lachine Canal into the harbour, which I attempted to point out to you gentlemen yesterday when we were there.

Q. Generally, they have suggested, that instead of there being two lifts there of 14 feet each there should be one lift there of 28 feet? A. Yes, I think that was a result of the consideration of the Board.

Q. Is there anything else they planned? A. I would not like to explain that report too minutely from memory, but the report is pretty full and can be had.

Q. If you cannot remember it, it cannot be very important; I was only speaking as to the important features. Were there any minority recommendations of any kind? A. I think the report was signed by every man on the Board and that there was no minority report.

Q. I have heard some suggestions that there were recommendations of Mr. Kennedy which were perhaps in the nature of a minority report? A. Perhaps there might have been. In the process of the finding of a harmonious scheme of the harbour there may have been differences of opinion between Mr. Kennedy and his colleagues on certain questions, but ultimately John Kennedy signed that report with the others of them, and when it came to the Board of Harbour Commissioners it was a unanimous report.

Q. I quite agree with that, but that is not the point; he may have done that and still there might have been some further explanation which he might have made? A. There might.

Q. Do you recall any? A. I do not recall any; I suppose that would be in the report made at the time.

Q. These reports of Mr. Davidson, of Mr. Cowie, and of the Board have been printed? A. Mr. Davidson's report has been printed but it has been kept confidential. Our report has been printed; I refer to our report of the investigation of European harbours, and the report of Mr. Cowie to the Board is typewritten as is the report of the Board itself, but these latter two have never been made public.

Q. Is there any reason why Mr. Davidson's report should be kept confidential? A. There was at the time, because the Harbour Commissioners did not wish Mr. Cowie to know what was in Mr. Davidson's report before he made his own report so that the report of each engineer might be absolutely independent of the other.

Q. Then, there is at present, so far as you know, no objection to the publication of all these reports? A. None, except as a matter of policy.

Q. Even as a matter of policy? A. Of course, all the costs are given in these reports, the estimated expenditures on the different plans and all that. If it becomes public, it may have the effect, in my humble opinion, of giving the impression to those who do not understand that Montreal is a great national port, that Montreal is getting a tremendous amount of Government money for its development, whereas other parts of the country are being neglected. People who do not understand the matter may begin to feel that Montreal is being specially favoured.

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Q. What you mean to say is this: that the objection, if there be any, would be of a political nature? A. Absolutely.

Q. And that would be a matter for the government to consider rather than the Harbour Commissioners? A. Quite so.

*By Mr. Lake:*

Q. You never published any general outline of the scheme except that which is contained in a printed map annexed to the report of the Commissioners for the year 1911? A. The newspapers have from time to time published maps showing what was being done.

*By the Chairman:*

Q. As a matter of fact your Board has no objection to the public being given knowledge of this scheme and this plan? A. None whatever.

Q. You do not regard this scheme for the development of the port of Montreal as a matter local to the city of Montreal? A. Oh not at all; Montreal is of course the great national port of Canada and there is no port of this Dominion which is not as deeply interested in its proper development as is the city of Montreal itself.

Q. I suppose, the prairie provinces would have more interest really in the development of the port of Montreal than many parts of the Dominion which are situated much nearer to it? A. Quite so. Every citizen of Canada is a shareholder in the development of this port.

Q. I would like to suggest my idea to you, and it is that as the public has to pay, the true policy would be to apprise the public in the fullest possible way of the importance and magnitude of the plan so that the approval of the public may be won in that way. I believe that the country will endorse what is being done in Montreal when it knows of it, and I think you ought to give the public every possible chance of knowing? A. I think that it is a very valuable suggestion and I feel that it is one that will meet with the approval of the Harbour Commissioners of Montreal.

Q. Now then, the Board of Harbour Commissioners endorsed these plans and you commenced to work in 1910 under that plan? A. Yes, I think it was in the spring of 1910 the first move was made to go into that development scheme.

Q. Did that scheme comprehend the construction of Elevator No. 2 or is that a matter apart from it? A. No, there has been a small modification there.

Q. After the Board of Engineers had recommended and the Board of Harbour Commissioners had adopted the plan you have just referred to, it was submitted to the Marine and Fisheries Department? A. The plan was sent to Ottawa for approval and it did receive the approval of the government.

Q. And it is upon that plan that work has been done over since? A. Quite so and as the work has proceeded the individual plans of each unit of the whole have been approved at Ottawa by the department in the usual way.

Q. Was Elevator No. 2 a part of the Board plan? A. Yes, Elevator No. 2 was a part of the scheme, but in this connection I want to say there was another elevator planned further down the harbour. The Elevator No. 2 of today is the elevators No. 2 and 3 as accepted. The cost of Elevator No. 2 and its capacity and strategic position, is linked up with the whole elevator distributing machinery which could not be achieved in the case of a third elevator so far down the harbour. Considering it in this connection it will be found that its cost altogether was less, very much less, than if we had carried out the idea of putting up elevators No. 2 and No. 3.

Q. Now, we will resolve that into detail so as to make it plain; Elevator No. 1 was constructed in what year; it was prior to the present scheme? A. Three years before the present Commissioners took office.

Q. And when the present Commission took office it was operating? A. It was operating without its appendage of a conveyor system.

Q. It has storage capacity of 1,000,000 bushels? A. Nominally 1,000,000 bushels.

Q. And without the conveyer system it could only load vessels that lay beside the elevator itself? A. Quite so, it, was like a bird without wings.

Q. And now, by the conveyer system vessels can be loaded at the same time laying alongside the different piers? A. They can be loaded at their own berth night and day and simultaneously with the discharge or taking on of their general cargo.

Q. Even if they are at what distance from the elevator? A. At any one of the three main piers in the harbour. There are fourteen ocean berths at the three piers and a vessel lying alongside any one of these can be loaded with grain.

Q. That Elevator No. 1 was situated between the Alexandra pier and the King Edward pier? A. That is right.

Q. And Elevator No. 2 is between the Jacques Cartier pier and the Victoria pier? A. Yes.

Q. And the conveyer system will connect these two elevators and will make both elevators serve what? A. The conveyer system will connect the two elevators with the four piers.

Q. So that vessels lying at any of these four piers can be loaded from any one of the elevators or from both? A. Quite so, and that will mean that twenty ocean ships lying at their births can be loaded from these elevators.

*By Mr. Lake:*

Q. And can be receiving grain at the same time that they are taking on board a general cargo? A. Yes.

*By the Chairman:*

Q. If an elevator is subsequently built at the site intended for Elevator No. 3, that would not be connected by the conveyer system? A. No. There would probably have to be another unit started because there is a cost line which comes into play in that work. That is to say that distance plays a part in the distribution of grain. You can distribute grain from the centre up to a certain point economically, but after you have passed that point it becomes too expensive and ceases to be good business.

Q. For the present at least you are not contemplating building Elevator No. 3? A. No.

Q. The capacity of Elevator No. 2 will be what? A. 2,650,000 bushels with an ability to increase that up to 4,500,000 bushels with further additions to the elevator.

Q. And of that 2,650,000 bushels a portion of it is for storage alone is it not? A. Yes.

Q. That is in the new part which you are putting on the western end? A. Yes, 650,000 bushels of that is storage only.

Q. That addition has been designed quite recently? A. That was found to be necessary after Elevator No. 2 had been in process of construction for nearly a year.

Q. When will Elevator No. 2 be ready to commence storing grain? A. Elevator No. 2 according to the contractors can store grain on the 1st of June.

Q. There have been some delays in the work? A. Quite so.

Q. Can you give me any special reason for the prophecies of the contractors Metcalfe & Co., not being fulfilled, that it would be ready for the 1st of May this year? A. The non-delivery of material and machinery is the principal reason; that is the non-delivery of the material by the contractors who were supplying the equipment of the elevator.

Q. And though it be ready for taking in grain on the 1st of June the conveyer system must be completed before it can discharge it to the ships? A. Quite so.

Q. And that you do not anticipate before what time? A. The 1st of August, in time for the export business of this season.

Q. Elevator No. 2 has been built by the Harbour Commissioners themselves? A. Quite so.

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Q. And under the supervision of Metcalfe & Co.? A. Under the supervision of the J. S. Metcalfe Co.

Q. In the first place who are the Metcalfe Company? A. They are a Canadian company at the head of which was John S. Metcalfe, looked upon as one of the best elevator experts in America.

Q. And when you say they are a Canadian company, are not the Metcalfes' Americans? A. John Metcalfe himself was a Canadian born in Canada; the head office of the firm is in Chicago.

Q. Had he been living and working in the United States? A. He had.

Q. His experience in elevator building was in the United States? A. And in Canada. He built elevators for both railway companies.

Q. At what places? A. At the Georgian Bay ports, Tiffin on the Grand Trunk, and Victoria Harbour on the C.P.R.

Q. Did he build any elevators at Fort William? A. I cannot say, I do not know that he did.

Q. How and why did you happen to fix upon them to supervise the construction of the elevator? A. Well, Metcalfe & Company were contractors for the conveyor system of the harbour in connection with Elevator No. 1 before Elevator No. 2 was contemplated.

Q. Did they become contractors for that by tender? A. I think so. I would not be sure about this, but I think they were sub-contractors to Peter Lyall. The conveyors are part of the sheds; that is to say they are attached to the sheds, and as Peter Lyall had the contract for the sheds, if my memory is correct he also had the contract for the conveyors which were built by Metcalfe & Co. Now, Metcalfe & Co. were recommended to the Harbour Commissioners by the railways as the best men they could get to supervise any work in connection with railways or a conveyor system.

Q. Can you tell me why it was decided to build by the Harbour Commissioners directly and not by tender and contracts? A. Well our experience with the conveyor system was that instead of calling for tenders for the whole work en bloc we could do the work more economically by calling for tenders for the work by each unit as the work went on, and in connection with the conveyor system alone there was a saving of \$30,000 or \$40,000 in that way. There has been an actual saving over the estimated cost by contract. Now, the work in connection with Elevator No. 2 was a problem in this sense that time was one of the biggest factors in the whole thing. Briefly the problem was to get elevator capacity going in the harbour within any reasonable time to cope with the business. The history of Elevator No. 1 was before the Commissioners, Elevator No. 2 being built by the calling of tenders and that elevator consumed so many years to get it going that the Commissioners did not wish to contemplate spending four or five years building a second elevator.

Q. How long did it take to build Elevator No. 1? A. I could not state that exactly from memory and I would like to be exact about it. I will get the facts in connection with that. At all events, after consideration of the policy of the thing it was decided to proceed under the Commission directly and if necessary to take contracts for the units. As a matter of fact all the material has been bought by tender.

Q. But, with reference to the work that has been performed on that elevator it has been done by day labour? A. By day labour.

Q. Has any portion of the construction been done under tender and contract? A. Applying that to the building of the elevator itself, no.

Q. Applying it to anything else? A. But applying it to the equipment, yes. All the equipment of the elevator has been done by tenders being called for.

Q. The broad general effect of the arrangement with Metcalfe & Co. was that they were to supervise the construction under the Commission and to receive a

percentage of the cost? A. They were to design the elevator and its equipment, supervise the construction of it for the Commissioners on a commission of 3 per cent for plans and 7 per cent for supervision.

Q. The 3 per cent would be assessed on the total cost of the elevator? A. On the total cost.

Q. So that practically their compensation is 10 per cent on the whole cost of the elevator? A. Yes.

*By Mr. Ducharme:*

Q. Including machinery? A. Including machinery.

*By the Chairman:*

Q. Where were these designs made? A. You mean the plans?

Q. Yes. A. Some of these plans were made here and some were made in Chicago.

Q. Do Metcalfe & Co. maintain a staff here? A. They do.

Q. They have an office of their own here? A. They have an office.

Q. And a man in charge? A. They have a staff of 15 or 20 on this job.

Q. All their own staff? A. Yes.

Q. All? A. All.

Q. Who is the head man here? A. Mr. Spellman is the head member of the firm here; he and Mr. Metcalfe are partners. The office head man is Mr. Rolph, then there is Mr. Durham the general superintendent of the job, and the man on the job all the time is a Mr. Hodge.

Q. Do Mr. Spellman and the staff have any other work proceeding in Montreal? A. I think not.

Q. So that the whole establishment, for the present at least, is maintained for this work? A. Quite so.

Q. And the making of plans, and the tracings that are made, and all the work that has to be done in that connection is done by that staff? A. Yes.

Q. Does the engineering staff of the Commission have anything to do with that work? A. No, none whatever.

Q. Do the designs pass under the observation of Mr. Cowie for approval? A. No, they do not. Mr. Cowie has no elevator experience.

Q. As a matter of fact the position is that Metcalfe's staff, are for this purpose, the staff of the Harbour Commissioners? A. Technically the staff of the Harbour Commissioners.

Q. Charged with the care of the whole thing? A. The care and the responsibility.

Q. And their compensation for all that is included in the 10 per cent? A. Yes.

Q. The infirmity apparent on the face of a contract of that kind is this: that the greater the cost the greater their percentage? A. That is quite true. We have had estimates submitted on the cost of a great part of that elevator before the tenders were called for for the different work.

Q. You mean for the different materials and equipment? A. Quite so. We had an estimate made of the whole cost of the elevator before the work was begun. It is a little early yet to be able to compare whether the total cost will exceed or be less than the estimate, but on the estimate on units in a great number of cases the actual cost has been much below the estimated cost, due to perhaps a change in price, conditions at the time the stuff was required and asked for, compared with the price conditions that existed when the estimates were made. But, the fact remains that the cost of the stuff supplied has been, as I stated, in numberless cases, much below the estimate made for it.

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Q. Can you say now whether the total cost will approximate pretty closely to the estimates given by Metcalfe & Co. on the initiation of the work? A. I could not answer that question intelligently without getting the figures.

Q. Will you kindly get the figures? A. I will get them.

Q. The elements that enter into the cost of construction are, first, building materials, and those have been purchased by tender and contract? A. They have.

Q. There will therefore be no power on the part of Metcalfe & Co. to either increase or decrease that? A. No.

Q. Then, the next element that enters into it is machinery of one kind and another and that has all been purchased by tender and contract? A. Yes.

Q. And Metcalfe & Co. in any case, they are not suppliers I presume? A. No.

Q. And I suppose the most expensive part of that material would be purchased out of this country? A. No. Some of it has been purchased in the States that could not be purchased here, but the great mass of it has been purchased in Canada.

Q. And by tender and contract? A. By tender and contract.

Q. And you are satisfied that the Commissioners kept control of that? A. Quite so.

Q. Metcalfe & Co. were not able to influence it at all? A. Not in the least.

Q. And every tender received was opened by the Commissioners and not by Metcalfe & Co. and the tenders were called for by the Commissioners? A. Yes, the tenders were called for by the Commissioners and they were called on details prepared by Metcalfe & Co. But, the tenders are addressed and submitted to the secretary of the Harbour Commissioner Board and opened by the Commissioners.

Q. What you mean is that the specifications upon which the tenders were called for were prepared by the engineers, by Metcalfe & Co., but the tenders when received are opened by the Board and awarded by the Board on the advice of Metcalfe & Co., I suppose? A. Quite so.

*By Mr. Ducharme:*

Q. Your own engineer has nothing to do with that? A. No.

*By the Chairman:*

Q. The third element of cost is the labour that enters into the work? A. Yes. The labour is protected by a clause in the contract which says that the labour hired on that particular work has to be paid at the prevailing prices of labour in Montreal at the time, and that has been carried out.

Q. That is all right with regard to that feature of it, but who has the say with reference to the number of men that shall be employed at any time? A. John S. Metcalfe & Co.

Q. Who employs the men? A. John S. Metcalfe & Co.

Q. They have an employment office in the building itself, or where have they their employment office? A. At the elevator on the ground. It is not an employment office alone but a general office.

Q. Are men ever sent to them from the Commissioners or from this Harbour Office here to give them employment? A. There have been.

Q. How would that be done, would it be done officially or by just some of the Commissioners? A. How that would be done would be this: Some member of parliament would send a recommendation to the Commissioners recommending somebody for a position and in the regular course of business it might be that we could have a job somewhere for that particular person and that job may be on the elevator or in some other part of the harbour. The men that have been sent to Metcalfe & Co. from the Commission have been men that have been recommended by members of parliament from time to time.

Q. On that point in particular; how could the Commissioners have any position in connection with the elevator to give if Metcalfe & Co. were employing the men?

A. Well, Metcalfe & Co. are of course in charge of the job and the Commissioners are not in a position—

Q. They are the servants of the Commissioners? A. Quite so, and just as each foreman on the work in charge of a gang of men very often picks up a man under him that will serve him in the work, so Metcalfe & Co. as a Contractor—

Q. But he was not a contractor—and that is what I want to get at. He was not a foreman either. I do not want to put it on the ground of Metcalfe & Co. being foremen. Would you consider in fact with regard to the employment of labourers and mechanics and others who were being paid by the Commission in connection with the elevator work, that Metcalfe & Co. were to exercise an independent control or that they were to employ men at the request of the Commission? A. When the job was available and the man fitted for it they would, I presume, act upon the recommendation of the Commissioner or the Commissioners.

Q. I want to make the position perfectly clear? A. Quite so.

Q. If Metcalfe & Co. had been contractors for the building there, any labourer or any servant who would have applied to the Board of Harbour Commissioners for the job would be told to go to Metcalfe & Co. who were the contractors. Now I just want to get at what the practice with regard to employment down at the elevator was. If it were understood that the employment of labour would be done by the Harbour Commissioners then the persons would be sent down from this office to the work? A. Well, practically, with occasional exceptions, all the labour employed at the Elevator No. 2 was employed directly by John S. Metcalfe & Co. Now, the pay rolls are paid at this office every week or every two weeks as the case may be. We supervise the pay rolls of Elevator No. 2 just as we do the pay rolls of our workshop on the guard pier or any other part of the harbour.

Q. I know that; the timekeeper down there is a servant of the Commission? A. Yes.

Q. The pay rolls are made up by the timekeeper? A. The time, of course, is made up by the timekeeper and the time is checked in the office and supervised up here.

Q. Who is the right person in your office to explain to me the pay and time system? A. Mr. Seath takes charge of that.

Q. Have Metcalfe & Co. or their man ever complained that too many men were being sent to them? A. Not to my knowledge.

Q. Have they made any complaints at all on the labour question at any time? A. Only in cases of rates of wages where carpenters or other trades working on the job struck, and we had to adjust it.

Q. What complaints have they made in connection with this? A. Well, last spring a strike of carpenters occurred through the carpenters wanting a raise in wages from 30 to 35 cents an hour. We stuck it out until the carpenters were called off the work, and we, like other employers in the city, had to raise our rate from 30 cents to 35 cents an hour.

Q. Metcalfe & Co. being paid on a percentage basis, the larger the labour bill the larger their percentage would be? Therefore, one might say they had no objection to accepting extra labourers who were sent to them from time to time, but on the contrary, they being in that position and your engineering staff having nothing to do with the construction there, what precautions were taken to prevent an over supply of labour and waste in that way? A. The inspection weekly of the pay rolls submitted here to the office.

Q. But that would be no practical check on whether the amount of labour was necessary? A. It would be a check in this sense that, after the job was organized the fluctuations in the amount of the pay roll and the amount of time spent on the job by the men would be brought under our notice. These two things would come under the notice of the Commissioners when the pay rolls were presented and they would be a constant indication as to the general status of the work.

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Q. Yes, but only an indication which, unless you were having it followed up in a systematic way by some of your staff appointed for that very purpose, would have no real value. Here is the position I am putting to you: You have a work going on there under men who are in one sense your servants but they are paid in proportion to the expenditure and therefore the more extravagant they may be the greater their pay would be? A. Quite so.

Q. Ordinarily that would not be the case because your labourers would be superintended by your salaried men who would have no interest in the amount of the expenditure. Then, on the other hand, if contractors were doing the work down there it would be none of your business as Commissioners how much they spent because they were doing it at a fixed sum and they would guard the expenditure. What I want to get at is this: What steps were taken in this matter to practically prevent waste by extensive employment of labourers? A. None. We had confidence in the superintending of Metcalfe & Co. on that job. We had more confidence in Metcalfe than we had in anybody else and we employed him because of that reason. If he was a scoundrel or if his firm were scoundrels we would be subject to the danger which you indicate and in like manner we would be subject to that danger if we had dishonest men superintending the work in relation to every other unit of the work under the Harbour Commission. Any contractor running a job is subject to the same danger in connection with the pay roll.

Q. Not at all. A contractor for the government who is going to make just so much margin as he can between what it costs him and what he gets, is going to watch every labourer that is employed and the necessity for employing such labourer either through his own eyes or through his handy man? A. Quite so.

Q. And you are in a precisely opposite position from that because you had no salaried man watching the labourers? A. Do you mean to check the time?

Q. Not to check the time, because I take it for granted that every man who was paid and whose name was on the list was there and working? A. That is so.

Q. What check was there to prevent two men being employed where one man would have been sufficient? A. None.

*By Mr. Lake:*

Q. There was no permanent official of the Harbour Board charged with the duty of inspecting the work as it progressed? A. No.

Q. Neither as to the question of the amount of labour employed or as to the quality of the work? A. No.

*By the Chairman:*

Q. You had no servant of the Harbour Board there, a salaried man, who had the capacity and duty to check the progress of such labour? A. We had not.

Q. Did you have any direct representative watching from day to day and from hour to hour the progress of the men and their labour on that work? A. We had not.

Q. Without imputing anything at all wrong to Metcalfe & Co. and assuming they are the most honest people in the world, is it a good business proposition to deal with anybody without check upon the ground that they are honest and do not need a check? A. Well, generally speaking, of course it is not. Every possible check that the Commission would be able to put on that job with the exception you have named were put on it.

Q. Can you tell me why you never thought of checking the expenditure in that way? A. Well, for no other reason than that Metcalfe was the only expert with a knowledge of elevators and elevator work that we had confidence in to do that work, and I may say that we had entire confidence in Metcalfe.

Q. I can quite understand Mr. Stephens, why it was proper to give Metcalfe & Co. the contract and why you should pay them, as an architect is frequently paid by commission on the expenditure, but, looking at human infirmities I should think there ought to be a check on them? A. Quite so.



Q. I cannot see why your Commission should not have had on that work men who were watching the expenditure from time to time and competent to say whether waste was taking place or not, more especially as if it be said now that waste has taken place in the amount of labour employed, Metcalfe & Co. are in a position to say that it is not their fault but their misfortune because men were pressed upon them that they did not want? A. I do not think that phase has arisen in any way. I do not think that men were ever pressed on Metcalfe & Co.

Q. But they are in a position to say it. Suppose the charge is made publicly or anywhere else that Metcalfe & Co. being paid a commission on the cost of the work, were vastly too extravagant in connection with the labour. Metcalfe & Co. are in a position to say that it is not their fault but their misfortune because they were crowded with men? A. If that position were taken, of course Metcalfe & Co. or anybody else could say that, but the Commissioners have never had that phase presented to them at all.

Q. Why did not your Commission ever think of the importance of putting a check in that way upon the employment of labour and watching it going on at that elevator; was it blind faith in Metcalfe & Co.? A. That may be what it was; we have every confidence in them.

Q. While it might be justified, still a check would be ordinary prudence? A. I think an examination of the whole course of that work and its cost and all that will reveal no situation such as you indicate that can be charged against Metcalfe & Co.

Q. So far as you are aware was there at any time an excessive number of men employed? A. No. We have rushed that work as fast as we could rush it.

Q. And that was desirable of course in the public interest? A. And as many men as reasonably could be put on the job at all times, night and day, Sundays and holidays, were put on the job.

Q. To the best of your knowledge and belief have ever more men than was really desirable been employed on that job? A. No.

Q. About election time last year was the number of men employed on the work greater than at any other time? A. No, it was not.

Q. To the best of your knowledge and belief did that affect you in putting a number of men on the work? A. Not in the least.

Q. And for yourself you didn't do anything of that kind? A. Absolutely, no.

Q. You never put a man on for that purpose? A. Not a single man.

Q. How often are these men paid? A. They are paid weekly I think or every two weeks.

Q. And a comparison could easily be made of the number of men working in each week? A. Quite easy.

*By Mr. Lake:*

Q. Were you ever short of labour there? A. Oh yes, many times we have been short of labour.

Q. That is to say you could not get labour? A. That is we could not get as many workmen as we wanted.

*By the Chairman:*

Q. Upon the whole you have been satisfied and pleased with the progress of the work under Metcalfe & Co? A. Pleased with the quality and pleased with the manner in which it was carried out, and disappointed it did not get finished absolutely within the terms of the contract.

Q. And upon that subject, you do not attribute the disappointment to Metcalfe & Co.? A. Not at all.

Q. You believe that they have done their work satisfactorily? A. We have every reason I think to be satisfied with the way Metcalfe & Co., have handled that job, and

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no greater disturbance exists in connection with it than is always prevalent on work where great quantities of materials are supplied from different parts of the country.

*By Mr. Ducharme:*

Q. Were there any representations made to you as to men being idle on the work? A. No, none.

Q. Did you ever yourself see the men idle? A. During the season I have been in the elevator or around it probably once a day at least. In the winter time of course I have not been there so often. I have never seen men idling. I have seen men waiting necessarily because of the movement of the machinery, but they were not idling in the same sense that I understand you to mean.

Q. Have you noticed men idling on the harbour work outside of Metcalfe's contract? A. I have not noticed any harbour employees idling.

Q. When this half million dollar question came up between Lyall and the Harbour Board, do you remember if it was during Mr. Kennedy's time as chief engineer? A. We came into office on the 1st of January, 1907, and within that month of January this question came up, and within that same month Mr. Kennedy I think was promoted to be consulting engineer. The documents will show that.

Q. And the work done by Lyall for which extras were claimed was done when Mr. Kennedy was chief engineer? A. Yes.

Q. Was there in that claim, work comprised on some fourteen floors in the elevator? A. Not in the elevator; you probably have reference to the contract for the sheds.

Q. You say that you began this work in 1910; what did you do between 1908 and 1910? A. We were doing the general completion of this work that was not finished when we took office.

Q. According to the old plans? A. Yes.

*By the Chairman:*

Q. I have a memorandum here about two transporters for the upper stories of the steel sheds which were never used; do you know anything about that? A. Yes, sir.

Q. Tell us the facts will you? A. The building of two story sheds was opposed by all the men interested in the shipping.

Q. These are sheds on the piers into which cargoes are discharged by the ships? A. Yes, and during the first years of the present Commission in office the upper stories of these sheds were not used. That presented the problem of finding some way to make possible the use of the upper stories and these two transporters were the result of what Mr. Cowie saw in his European trip and they were thought to be a possible solution for the upper stories of the sheds.

Q. State briefly what a transporter is? A. A transporter is a piece of machinery for the purpose of taking cargo from the hold of a ship and lifting it to an upper story, and in the case of these transporters carrying it across the sheds and re-delivering it to a vehicle or into a railway car.

Q. Therefore it would be in the form of a crane? A. It is practically a form of crane. In the shed it is running on tracks. It was mounted on tracks so that it could be serviceable either on the ship side or the shore side of the shed.

Q. It would be like one of the travelling cranes that would pick the stuff up on one side and deliver it on the other? A. Quite so.

Q. And two were obtained? A. Yes.

Q. Costing about what? A. I do not know whether they cost \$15,000 each or \$30,000 each but we can get that.

Q. Were they ever used? A. One was put in one shed leased by the C.P.R. and another was put in another shed leased by the Grand Trunk. Practically speaking they were used intermittently for one summer and are not used now except in occasional cases.

Q. Had you in your European tour seen them used in harbours or ports on the other side of the water? A. They are used in every port almost and these cranes which we purchased are the same or are modifications of them.

Q. Why did they turn out to be more or less useless here when they are used in other places successfully? A. Well, because in the first place of the antagonism there was against the use of the upper stories in the sheds at all. We had to face that prejudice. Then, the ships discovered that they could use their own ship tackle to put the stuff up, which was a cheaper way than to use anything that might be put in the sheds themselves, and that has turned out to be the method used in putting the freight on the upper stories.

Q. The ship's tackle now puts the freight into the upper story of the shed? A. Yes.

Q. And what do you use to get the freight out of the upper stories? A. In the sheds where electric hoists are installed a team can be put on to the upper story by means of these electric hoists and the problem of handling freight has been reduced to exactly the same convenience as though the freight were on the lower story because the team and its load of cargo are lifted up and down with great facility as the necessity of the case demands.

Q. How many sheds are served by these electric hoists? A. Four.

Q. How many sheds are not so served? A. Ten.

Q. In these ten sheds how do they handle the goods? A. It is handled by chutes inside and outside the shed, from the shed down to the vehicle.

Q. Is that satisfactory? A. In the case of some classes of cargo, yes, and in other cases, no. Cargo that breaks easily cannot be handled that way.

Q. How long have these electric hoists that you speak of been in operation? A. This is the second summer.

Q. These electric hoists take loaded or unloaded teams and raise them up to the second story and then the teams can travel around the second story picking up or exchanging freight? A. Quite so.

Q. Is that an original design for the port of Montreal or was it copied from some place else? A. That is an original design with us.

Q. Who is the author of it? A. Mr. Cowie, the chief engineer.

Q. It is working satisfactorily? A. Up to the present time it is working very satisfactorily; more satisfactorily than we anticipated.

Q. And from our observation of it yesterday it would really appear that it has made the upper stories of the shed really more useful than they could have been in any other way? A. It has made them as useful as the lower stories in every way.

*By Mr. Lake:*

Q. Has it overcome the objection which the transportation companies had against the building of the upper stories in the sheds? A. Quite.

*By the Chairman:*

Q. And you think that objection has now entirely disappeared? A. Absolutely.

Q. Will you go on with building of other hoists in the sheds not now supplied with them? A. We will go on with more hoists and more sheds and probably more stories.

Q. And you will supply them all with these electric hoists? A. I think that will be the policy for the future.

*By Mr. Lake:*

Q. Can you give me an idea as to the increase in the use of these upper stories compared for instance, with the use of them last year? A. Yes, the number of teams lifted up and down has doubled in the course of one year. That is as concise a way as I can put that.

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*By the Chairman:*

Q. Were these transporters of which we were speaking purchased without tender?  
A. No. Prices for these were submitted by two English firms and one was bought from one firm and one from the other and each price was compared with the other. I may say Mr. Chairman that the whole thing was an experiment.

Q. I have a complaint here and one element of that complaint is that the purchase was made without tender? A. That is not so.

Q. I suppose in the ordinary sense of the word, there was no advertising for tenders? A. Quite so.

Q. But they were not purchased without the submission of a price from two firms? A. Certainly not. A design was made for a crane suitable to this port after we had seen the crane working in all the other ports and the suggestions of Mr. Cowie as to the cranes we wanted were given to two English firms and they submitted prices. Of course this was a specially constructed piece of machinery. There is no crane like this anywhere else.

Q. It was not a marketable or standard article; it had to be built to order?  
A. It was a piece of machinery which had to be built to order as an experiment for this port.

Q. And these two English firms are in that business? A. Yes, they are the greatest crane builders in England and perhaps in the world.

*By Mr. Lake:*

Q. It was a modification of the style of cranes that you saw used elsewhere and adapted as you believed to the local necessities of this port? A. Quite so.

*By the Chairman:*

Q. And one order was given to each firm? A. Yes.

Q. And these cranes did not fail to be used because of any inherent defect in the cranes themselves? A. No, they can be worked to day if you wish to see what they can do.

Q. They are still working? A. Yes, and they will be taken out of these sheds as not suitable to the sheds and they will be placed somewhere else where their work will be effective.

Q. Do you remember when the tug boat *Sir Hugh Allen* was put into commission? A. She arrived here the middle of last summer, 1911.

Q. Do you remember what the price was? A. She cost \$120,000.

Q. And she was built by whom? A. Vickers, Limited.

Q. Vickers, Sons & Maxim? A. Yes, sir, but they have changed their name to Vickers, Limited.

Q. Was she built without tender? A. Well no, tenders were called for from a firm in Belfast and from Vickers, Sons & Maxim. The Belfast firm did not tender. They wrote to say that they were so filled up with work that they could not tender. As a matter of fact the only price we got for that boat was from Vickers, Sons & Maxim.

Q. Was the boat designed in advance? A. No, the boat was not designed in advance; I beg your pardon, let me know what you mean.

Q. You say a price was asked from two firms; before a price was asked some specifications had to be made? A. I just don't know off hand how that was. Of course we could not design a boat here. We could state a general idea what we wanted. However, the correspondence will show all that much more concisely and definitely than I can tell you.

Q. Have you purchased land cranes recently? A. Yes, we have.

Q. I have a memorandum here that four land cranes were purchased without tender? A. There will be correspondence on that and I will get it.

Q. Tell me briefly about the rental of land to the Canadian Pacific Railway Company? A. Which land?

Q. The land leased to the C.P.R. Co. for a term of 40 years; tell me the facts in your own succinct way? A. A high level railway was part of the dock scheme to connect not only the eastern and western ends of the harbour, but to make all the water front accessible to rail delivery.

Q. Where does the high level railway begin? A. It begins practically at the Victoria pier and goes northeast to the Racine pier; that is the end of it now.

Q. It is an elevated road? A. Yes.

Q. Where does that receive the cars of the railways? A. The whole system of receiving and delivering from the railways is now practically under the control of the Harbour Commissioners.

Q. Where do your yards and sidings begin? A. Our terminal facilities begin at the foot of McGill and go eastward as far as the Racine pier.

Q. And every railway car that passes forth over that area is pulled by a locomotive of the Harbour Board? A. With one or two exceptions. In the case of allotments that are exclusive such as Windmill Point pier.

Q. Exclusive to the railway such as Windmill Point pier? A. We permit the railway itself to do its own shunting back and forward there. That, however, may only be temporary; we may some day, or whoever comes after us, take that in also.

Q. Who operates on the Windmill Point pier? A. The Grand Trunk owns about half of the Windmill Point pier.

Q. Has the C.P.R. Co. anything of the same nature? A. Not in this part of the harbour. The C.P.R. have no exclusive pier but they receive large quantities of coal at Section 33 and they are permitted to haul their own cars of coal from the ships side to the Hochelaga yards which are immediately to the north.

Q. So that they really do not pass over any large extent of the elevated road? A. No.

Q. And that is equally true of the Grand Trunk Co.? A. It is.

Q. It would be right to say that all the cars passing over the elevated tracks from one end to the other of the system are hauled by your locomotives? A. Yes.

Q. And you charge them a certain rate for that? A. We charge them \$2.50 per car.

Q. For any distance over that road? A. There is a regular tariff of charges for the different switches. In the main it is \$2.50 a car, but as the harbour grows in distance and becomes more extended the charge must of necessity be increased. May I say in connection with the high level railway that in addition to linking up the entire harbour front through the railway, on account of the railway being on a high level it gives a railway service for twelve months in the year instead of as formerly for only a portion of the year when there were low level tracks and when the water covered them just the same as the rest of the harbour and put them out of business. Now we have a railway terminal there that is effective for twelve months in the year and that will give accessibility to every manufacturer who settles in the eastern part of the harbour, to deliver and receive goods at his own door.

Q. Of course, when you speak of an elevated road you mean an embankment? A. A raised embankment that separates the railway traffic from the vehicular traffic and makes the approaches to the harbour front from Victoria pier to the eastward, by subway from the city instead of by level crossings as formerly.

*By Mr. Ducharme:*

Q. How high is this above high water? A. Record flood, however high that was; it is planned to be higher than the highest water known.

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*By the Chairman:*

Q. You do not refer to an elevated road in the sense that other elevated roads are referred to in other parts of the country; it is not a railway run on trestles? A. Oh, no.

Q. When did the elevated road go into operation; how long is it since you first began to haul the cars with your own locomotives? A. That was done the first year we were here; it was commenced in 1907 but we then had no equipment of locomotives of our own.

Q. When did you get your own equipment of locomotives? A. In the year following, 1908.

Q. What have you done recently on that elevated road; when did you make the elevation and extension along the central portion of the harbour? A. That has been done during the last two years.

Q. Is it progressing this year also; are you pushing it further to the north? A. Gradually we hope to carry that road down to the end of Montreal island.

Q. And some of it is being built this year? A. A little of it is being built every year.

Q. Will you please tell us about the rental of some land to the Canadian Pacific Railway Company? A. We used the opportunity of the development of the Place Viger passenger and freight yards by the Canadian Pacific Railway to take over the excavated material from the Place Viger work and use it in the building of our elevated railway. In the summer of 1910 the whole of the elevated railway that we built that year was built with this fill, from Victoria pier to just below the Sutherland pier.

Q. And you did that with the material got from the Place Viger excavation? A. Yes, and had we been forced to build it out of dredging material from the river or fill from the city that same work would have taken five years to do it.

Q. And how about the cost? A. It would have cost very, very much more.

Q. On what terms did you get that material? A. It figures up about 20 cents a cubic yard.

Q. Did you buy it by the cubic yard? A. We did not know how much fill we would get, or how much we would need, but the price named to us by the C.P.R. was between 25 cents and 30 cents a yard, but it figures out now at 20 cents a yard after we have done the work. That is to say, we got about 500,000 cubic yards and the cost of it was about \$100,000.

Q. Does that agreement concerning the filling material and also the land that you let to the C.P.R. exist in writing? A. It does.

Q. Will you let me have a copy of that writing? A. Quite so.

Q. The northern end of what is called the Mackay pier is now removed? A. Yes.

Q. It is proposed to put an embankment at the end as it will be after that part is removed, running a little more in the direction of St. Helen's island, than the main pier? A. For the purpose of widening the entrance to the upper part of the harbour.

Q. And the proposed embankment which is to be added, what purpose is that to serve? A. That is for the creation of extra berths in the central harbour.

Q. And it will also have the effect of protecting the Victoria pier to some extent from the down river current? A. Quite so.

Q. It will have, however, the effect of forcing the water into the narrow channel between the end of the new part and St. Helen's island? A. Which is compensated for by the opening up of the channel between St. Helen's island and the south shore.

Q. The excavation of the proposed channel has been begun already? A. It is already begun.

Q. At the northern or downstream end? A. Yes.

Q. Will the completion of that channel be pushed pretty rapidly? A. The material from that channel is to be used in works that are being created here.

Q. Being created on the Montreal side? A. Yes, on the mainland.

Q. And scows bring it over from the dredging to your works along the Montreal side? A. Yes.

Q. What does that mean with regard to the question I asked you? A. It means that while the south channel if treated alone could be made in quicker time than it is now being made in, the work on it is being timed concurrently with the work and progress on the Montreal side so that this work may get the benefit of it.

Q. That is to say that the progress of it may be slower for the sake of the construction work that is being done on the Montreal side? A. Yes.

Q. Will the channel to its full width be excavated as you proceed along, or will you excavate a narrow channel first and then widen it? A. I imagine it will be narrowed first and then widened to its full breadth.

Q. Can you give me an idea as to how soon under the present plan you are likely to have any channel on the south side from one end to the other? A. That will probably cover two seasons.

Q. This year and next? A. Yes.

Q. Then you hope to have a channel from end to end open although not as wide as it will be later? A. Yes.

*By Mr. Lake:*

Q. Will that be done before the new Mackay embankment is started? A. That has already been commenced.

*By the Chairman:*

Q. You expect to complete that this season? A. We will not complete it all this season.

Q. It will have the effect of diverting the water almost immediately? A. Almost immediately. There are three things to be considered in that. There is what is locally called St. Mary's current between Isle Ronde and the Montreal side. That is, the damming of the water at Moffett's island on the south side, and the pier leading from St. Lambert's to Moffett's island which sends all the water over to the Montreal side. The direction given to the guard pier by the Mackay pier leads the water that is shoved against it and congests it into the narrowest part of the channel on the Montreal side, making navigation difficult and sometimes dangerous. From an engineering point of view, it is hoped that the modification of the Mackay pier, the building of this channel, and the taking away of a portion of Moffett's island and the Grand Trunk Railway pier will lessen the St. Mary's current very considerably.

Q. That, of course, is perfectly clear, but I want to get an idea of the progress of the work; you are now building the Mackay embankment? A. Yes.

Q. Which would at first seem to have the effect of absolutely further narrowing the channel for the water between St. Helen's island and Victoria pier? A. That is quite true. The new embankment for the Mackay pier is momentarily held up for that reason.

Q. And you will not proceed with it until you can do something on the south side to relieve the congestion? A. Quite so.

Q. The Grand Trunk Railway wharf to Moffett's island is still the property of the Grand Trunk? A. It is still the property of the Grand Trunk, subject to being reclaimed by the Crown.

Q. Does the Crown own it? A. In the agreement between the government and the Grand Trunk Railway, the Crown have a right on a year's notice to take it back, compensating the railway for so doing.

Q. When? A. Last October.

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Q. I presume the Grand Trunk might, if desired, waive the notice? A. We are now negotiating with them.

Q. And in addition to that your Board has expropriation powers? A. We have.

Q. Which you could use if necessary? A. Which we could use.

Q. And you say that in the meantime negotiations are going on? A. Negotiations are at the present time pending with reference to Moffett's island.

Q. And in case they are successful you would remove that pier this season? A. The moment we can get possession we can start on that.

Q. The removal of that pier, even without the excavation of the channel ought to have a marked effect on the south side? A. Quite so.

Q. Then if you could do that you would proceed with the addition to the Mackay pier and you think that would materially improve the current? A. That would lessen the current and enable the work on the new Victoria pier to proceed.

Q. That is the outer work, the high level? A. Yes.

Q. Is that being proceeded with now? A. It is held up also for the same reason.

Q. What are you now delaying about? A. We are delaying principally because of the non-decision in connection with Moffett's island.

Q. Non-decision by whom? A. By the railway company as to relinquishing.

Q. Is there any special reason for that delay by them that you know of? A. No special reason except an agreement with them for compensation of a suitable kind.

Q. How could you arrive at a decision as to that; does it call for arbitration? A. It has not reached that point yet. We are now negotiating.

Q. Are these negotiations delayed for any purpose? A. They have been delayed through the death of Mr. Hays; that has tied all business up with the Grand Trunk.

Q. And of course it is very important to you to bring these negotiations to a head? A. It is most important.

Q. Is there anything you could do to hurry them? A. As a matter of fact I have seen Mr. Kelly, the chief engineer of the Grand Trunk, to-day, since I saw you before, and he is open to another conference at any minute. That conference may lead to a basis on which we can go ahead with that work.

Q. Has there been any objection made by the Pilots' Association or Shipping Federation, to your proposals regarding Victoria pier? A. Not to the pier itself; there have been objections made by the Pilots' Association against the change in current that is being created by the construction of the addition to the Mackay pier.

Q. Upon the ground that it was increasing the rapidity of the current, or what? A. Upon the ground that the current is changing from day to day through this construction work going on, and bothering the pilots in their estimates of the current.

Q. But you have apprised them of what the designs of the Board were in making these changes? A. Quite so.

Q. And that the general design has met with their approval? A. Yes.

Q. You say that the objection of the Pilots' Association and the Shipping Federation was a temporary objection purely, to the effect created for the time being by the construction work? A. Quite so.

Q. And that the general design has met with their approval? A. Yes.

Q. When your plan is carried out of removing part of Moffett's island on the south side what is your expectation about the effect on the St. Mary's current? A. I think Mr. Cowie has estimated that it would reduce it by one-half.

Q. That does not mean inclusive of his design for a bridge across? A. No.

Q. Upon that point, his design for a bridge from a point on the Montreal side across, as described by you in your statement to us, would practically make that bridge a dam on the Montreal side of St. Helen's island? A. What he calls an overflow dam.

Q. That simply means that the greater portion of the water would be expected to run off on the south side? A. Quite so.



Q. And the construction of that dam would make the whole of the present harbour a slack water basin? A. Yes.

Q. In fact there would be a certain amount of slack water that would make it very much easier for ships to come in than at the present time? A. Not only that, but at present there is no anchorage in the harbour for ships. The current is so swift that no ships can anchor unless they anchor in the channel, and that is a menace to the navigation of the river. When we get this slack water basin we hope to make regular anchorage areas within which a ship would be safe to anchor.

Q. There is one other subject that I want to deal with broadly and that is in relation to the contract for the floating dock made by the Board, with whom? A. With Vickers Limited as the firm is called now, but it was called Vickers Sons & Maxim when we made the contract.

Q. Is that an English firm? A. Yes, it is an English firm.

Q. Is your agreement made with the English firm or with the Canadian incorporation? A. The original agreement was made with the English firm and in that agreement there was a stipulation that a Canadian company would be formed, called the Canadian Vickers.

Q. To which the contract would be turned over? A. Yes, sir.

Q. And with which the Board would have its relations? A. Yes, that company has been formed and incorporated and the contract with the Canadian company has been signed by the Board.

Q. It was a Dominion incorporation I presume? A. I believe so.

Q. Do you know who are the shareholders of that company? A. Sir Montagu Allan I think is the president of it. Mr. F. O. Lewis is a director, he is Vickers' representative in Canada. I have not got the names of all the directors in my mind but I can give them to you.

Q. Are they Canadians in the main? A. I think they are all with the exception of two. The majority of them I think are Canadians.

Q. Do you know what the capital of the company is? A. Off hand I cannot tell you that.

Q. At the time the arrangement was made you say it was provided there was to be a Canadian company? A. Yes, that was provided in the agreement.

Q. Was it known to the Board what Canadians were likely to be interested in it at all? A. No.

Q. Has any member of this Board any interest in this company? A. Not that I know of.

Q. Of course you can only speak for yourself, you have not? A. I have not.

Q. Neither directly or indirectly? A. Neither directly nor indirectly.

Q. When was the contract made? A. May I go a little behind that leading up to it?

Q. Certainly. A. It was during the trip of Mr. Cowie and myself to Europe that Vickers Sons & Maxim were approached with reference to the possibility of their building a dry dock in the St. Lawrence and they were interested to the extent, in that project, of sending out a commission of experts to examine the conditions for building a dry dock. They examined the River St. Lawrence from Montreal to below Quebec. It may also be that the then Minister of Marine and Fisheries did invite the representative of Vickers to come here and at all events they did come.

Q. When you went to Vickers, Maxim & Co. you did not know the Minister of Marine and Fisheries was taking an interest in it with them. A. No.

Q. Did you report after you came back? A. Yes.

Q. Probably the first action was due to your report? A. I would not say that, but that probably is what happened.

Q. In any case it would be desirable to get him to join with you in urging it upon their attention? A. Yes.

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Q. Vickers Sons & Maxim, now Vickers Limited, is one of the great ship building firms of England? A. Of the world.

Q. They specially have been engaged in naval construction have they not? A. Yes, the building of naval ships I think principally.

Q. Where is their headquarters? A. Their ship building works are at Barrow in-Furness; their head office is in London.

Q. Well, they sent out their experts and what happened? A. They examined the river from Montreal to below Quebec, they examined it in relation to all possible conditions, the wages paid, the cost of material, everything, and they made a report to their own firm about the possibilities of inaugurating a dry dock in the St. Lawrence.

Q. Which report you have never seen I suppose? A. No, we have never seen it. That report resulted in their choosing Montreal for the scene of their operations in this respect. I refer to this because if Vickers had found other places in the river that was better adapted for the dry dock business that dry dock might never have come to Montreal. But, after making an investigation they came to the conclusion all around that Montreal was the best site on which to build it and that was the principal reason why Montreal got this dry dock. We got together again later on in an attempt to make an agreement and we ultimately did reach a basis of agreement which was the basis of the contract. Before any agreement with Vickers was arrived at, the Minister of Marine and Fisheries was in London and he approached Vickers Limited to endeavour to get them to build a dry dock here. Mr. Ballantyne was in London at the time the Minister was there and together they interviewed the firm and then following that we were able to make the agreement.

Q. Which was negotiated here? A. Which was negotiated here.

Q. By you for the Board? A. Yes.

Q. And by whom for the other party? A. By Mr. F. O. Lewis and Sir Trevor Dawson as the managing director of Vickers Limited, in London.

Q. He came out here and I presume he interested those local men? A. He came out here and I dare say he did; I do not know anything about that.

Q. But the actual active negotiations were between you and Mr. Lewis? A. Well between the Board and Mr. Lewis; they were with me representing the Board in the negotiations.

Q. And of course the Harbour Board confirmed what you did from time to time and consulted with you from day to day and you were the mouthpiece of the Board? A. Yes.

Q. And with Mr. Lewis or Sir Trevor Dawson? A. Mr. Lewis chiefly. Sir Trevor Dawson came out and I saw him in connection with that and we saw the Minister and we saw each other, but the legal negotiations were carried on through the legal representatives.

Q. Who were there legal representatives? A. Smith, Markey & Montgomery.

Q. Who was your legal representative? A. Mr. Geoffrion at the time. The contracts were drawn up in that way.

Q. Has your Board a standing firm of solicitors? A. Yes, there is a solicitor appointed by the Board. The present solicitor is the Honourable Mr. Angers; the previous solicitor was Mr. Aime Geoffrion.

Q. He was your legal representative right up to the time of the recent election? A. Yes, right up to that time.

Q. And had he been for some time? A. Yes, for a few years.

Q. I presume you have a large amount of correspondence on the files concerning these negotiations? A. There is.

Q. Will you kindly let us see that? A. Yes.

Q. When the contract was made finally I presume it was reported to the government for approval? A. I am not sure whether the actual contract was presented

to the government before it was signed. It was signed in London; it was not signed here; it was signed by Mr. Geoffrion who went to London for the purpose of signing it for the Board.

Q. But prior to that and before deciding it, were the terms and conditions of the policy of it submitted to the Minister of Marine and Fisheries? A. They were all discussed with the Minister.

Q. Verbally or in writing? A. Verbally.

Q. Do you know whether an Order in Council was passed confirming the contract? A. I think there was.

Q. Broadly speaking, what are the terms and conditions of that contract? In the first place, the dock to be put there is what is known as a floating dock? A. Yes.

Q. And it is now being constructed in England? A. Yes.

Q. And it is to be brought across the ocean to this port in the coming month of June or July? A. Yes, we hope so.

Q. The scheme provided was that the basin for the dock and the protecting piers for the dock were to be constructed by the Harbour Commission? A. Yes.

Q. And the idea would be that everything except the dock itself was to be the work of the Commission? A. Practically; we were to create the site and the basin.

Q. That meant the actual creation of the site? A. Quite so.

Q. On the river side of the basin itself there was to be a protection pier? A. Quite so.

Q. Was that to be of cement? A. No, it is just earth filled.

Q. And that exists now? A. Partly so.

Q. Is it to be protected on the outside from the current? A. Yes, by what is called a rip-rap embankment.

Q. That is all you intend to put there, a rip-rap embankment? A. Yes.

Q. And between that pier and the shore there is to be a basin deep enough to allow the dry dock to be sunk under a steamer? A. Yes.

Q. Or to be sunk so that a steamer can come in over the floor of the dock? A. Yes.

Q. The depth of that will be what? A. Fifty feet deep from the ordinary level.

Q. That requires excavation, dredging? A. Yes.

Q. An approach is to be dredged from the channel? A. That is to be done by the Dominion government.

Q. The dredging of the basin itself is to be done by the Harbour Board? A. Yes.

Q. Is the other work now being done by dredges belonging to the Marine and Fisheries Department? A. Yes.

Q. Is the dredging of the basin itself now being done by your dredges? A. It is.

Q. You hope to have the channel and the basin ready by the time the dock gets out here? A. Not completely ready, but ready enough to receive the dock.

Q. What was the idea, can you tell me, of having a floating dock instead of an ordinary graving dock? A. The ordinary graving dock takes between four and five years to build and costs between four and five million dollars. A floating dock can be built within one year and a half and costs about something over one and a quarter million dollars. Hamburg has eleven floating docks of the kind we are getting for Montreal. The floating dock is gradually superseding the graving dock for commercial harbours, for the reason that they can build it cheaper and get it quicker, and it can be moved. For instance, if an accident occurred in Quebec, of such a nature that the ship could not come up here, these docks can go to the ship. In addition to that, this dock on account of having three cross-sectional caissons, becomes three docks according to the size of the ship. If we have a small canal boat that wants repairs, that boat can go in there and only occupy one-third of the dock, leaving the balance for two other boats of the same kind.

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Q. Can that dock be closed off in sections? A. Yes, and in addition to that another section can be added to this dock if bigger ships than the dock capacity come here.

Q. What is the size of this dock? A. The lifting capacity is 25,000 tons and the length is 700 feet.

Q. That is big enough to care for the largest boat that now comes to the port of Montreal? A. The biggest boat that comes here now is 15,000 tons and this will give 10,000 tons leeway.

Q. What is the longest boat coming here now? A. 580 feet.

*By Mr. Lake:*

Q. And that dock can raise a ship drawing how much water? A. The dock is sunk to a level of fifty feet and the floor of the dock would be from twelve to fourteen feet above the fifty foot level; that would leave a water space of thirty-six feet.

*By the Chairman:*

Q. The vessel could project above that as much as she likes, so that there is no limit in that way? A. There is really no limit to the draught of the vessel.

*By Mr. Ducharme:*

Q. How high is the dock? A. I will hand you a picture now of the dock so that you can see it for yourself.

Q. Is the Harbour Board under contract to do anything more than provide the site of the dock and surroundings? A. No, we just provide the basin. That is indicated by the area of land coloured red on the map, and the government do the dredging of the entrance.

Q. Do you give any subsidies to the Company? A. None. The government gives a subsidy, as is shown in the contract between the government and Vickers.

Q. Can you tell me what that subsidy is? A. Yes, the Dominion government pays three and a half per cent on three million dollars for a period of thirty-five years.

Q. They pay that absolutely? A. Absolutely.

Q. Without regard to the question of profit or not? A. Yes, that is done under the provisions of the Dry Docks Act.

*By the Chairman:*

Q. They get three and a half per cent on three million dollars, without regard as to whether they make a profit or a loss on the transaction? A. Well, I do not know as to that exactly, but it is all set out in the agreement between Vickers and the government.

Q. Did the Board at any time endeavour to get other firms interested in this dry dock matter? A. Yes, we had the suggested plans for a dry dock by Swan, Hunter of Newcastle-on-Tyne, but nobody went into the problem in the way that Vickers did, by sending people out here and all that kind of thing to find out what was possible, and their information, of course, was the base on which they were able to make a proposition at all.

Q. And no propositions were put forward by the Board or by the government of a definite nature and requisitions sent out to the people to tender for it? A. Neither the Board nor the government had the information requisite to put out any proposition or to put them in a position to do so.

Q. The Board did not have it? A. We did not have the knowledge.

Q. What I was trying to get at was this: was the element of competition thrown into this matter? A. No, not on the basis of asking tenders; you could not draw up specifications for a dry dock.

Q. Why not? A. We did not have the requisite information to do it.

Q. You mean to say that your Board did not have the information? A. Neither the Board nor any one else here had the information.

Q. That could have been ascertained? A. Well, I do not know that it could.

Q. Well, after the signal success you met with in going over the continent of Europe and England and coming out here with a great scheme for developing this port you could have gone and seen the dry docks and made a specification? A. Well, perhaps our engineer could have drawn up a specification, naturally enough, for some kind of a dry dock, but we were not prepared to build the dry dock ourselves and we could not possibly know on what conditions other people would do it, besides there were other things connected with this and other questions to be taken into consideration.

Q. Outside of the Dominion Act, which was there offering a subsidy for a long time, the point I wish to get at is this: whether there was any broad, general invitation, a specific invitation, sent out to firms anywhere to make a proposition? A. To no one but Swan, Hunter, in Newcastle.

Q. Are they dry dock builders? A. They are shipbuilders and dry dock builders, as well. We told them that dry dock facilities in the St. Lawrence to meet the requirements of modern ships did not exist, and that the moment was very opportune for them to study the question and submit some kind of a proposition to the Harbour Commissioners or to the government for a dry dock. They did submit a proposition, which we looked into and which was not a feasible proposition at all.

Q. Have you the correspondence on that? A. I do not know that there is much correspondence about it, but the actual proposition is here and you can see it.

Q. I would like to see it. Is the Board in possession of any data, from which can be gathered the amount of shipping which is likely to need the services of a dry dock? A. Quite so, I can give you that in detail.

Q. I do not mean the amount of shipping that comes into the port, but as to how much shipping would require the services of a dry dock? A. There are twenty-two ocean vessels entering the port to-day of greater tonnage than any dry dock accommodation can provide, nearer than Halifax, Boston, New York or Newport News. If any one of these boats got injured in the St. Lawrence, there is not one of twenty-two that could be taken care of by any dry dock facilities now existing.

Q. These are boats frequenting the port? A. Frequenting the port and doing a regular business with the port.

Q. Have you any data to show what accidents have occurred to ships coming to the port, how many per year, for instance, which could not be attended to with the facilities now here? A. The loss of the *Bavarian* is the most flagrant example of a great ship that could have been saved from being a total loss if she had been able to get into dry dock at Quebec, but she was too wide for the dock there.

*By Mr. Lake:*

Q. As to the possible earning power of this dry dock, is there any data to show what that earning power would possibly be on the present traffic to the port? A. I do not see how you could estimate that. There is no dry dock alone, standing on its own legs as a dry dock, that pays in Europe any sufficient return on the investment. It is the repair work and the industrial activity that grows up around a dry dock that makes a dry dock possible from the point of view of a commercial investment.

Q. What do you mean by the industrial activity that grows up around a dry dock; how would that in any way pay the investors in a dry dock? A. I mean that there will be connected with this dry dock and growing up around it a ship repairing plant, a steel plant, a car-wheel plant, and all kinds of industrial establishments.

Q. Are these to be carried on by the Vickers Company? A. Yes.

Q. And you say the establishment of these would be directly due to the dry dock? A. No, and yes. They are forced to create an industrial centre here in order to make the investment in the dry dock part of a paying proposition.

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Q. And do you say that these are industries, which, but for the dry dock, would not be undertaken here at all? A. Quite so.

Q. That is your position? A. That is our position.

Q. Might it not be that these allied industries would be established in another section by somebody else possibly? A. Well, they never have been.

Q. But there is a need of them? A. There is.

Q. Would not that need have developed a means of supplying it in the usual way? A. In the usual way, yes, but it would not have come as quickly.

Q. Nor would they have been as connected or so close together? A. No. They do not undertake it, of course, but they advise us that when this whole proposition is working there will be at least two thousand men employed in that work.

Q. In and around the dry dock? A. Yes. Now, I would like to say this: that a dry dock proposition in Montreal or in the St. Lawrence was a particularly difficult one to interest anybody in, because the St. Lawrence is closed for five months in the year and the dry dock business here, is therefore only seven-twelfths of the ordinary dry dock working year anywhere else. All these conditions were obstacles over which some way had to be found, and the way in this case that was found was the suggestion of the development of this as an industrial centre.

Q. You would put it in this way: that this was a sort of agreement made under circumstances for which there was no precedent and that you could not find it on any estimates and put it up to competition? A. I do not see how it could be approached in that way at all.

Q. And, therefore, you had to make your bargain by negotiating between yourselves and the parties on the other side, and in that way you got what you thought was the best bargain under the circumstances? A. Yes. We supplied the basin and created the site. The site is of thirty acres made out of dredging from the river. I have not told you the whole of the story yet. We leased that site to Vickers Sons & Company at an annual rental of \$18,000 a year for ten years, and after that at a rental of \$7,500, plus an interest in their profits not exceeding \$25,000 per annum.

Q. On their entire proposition? A. On the profits of the industries they carry on, on that thirty acres.

*By Mr. Lake:*

Q. And they could not make it pay unless they were prepared to carry on an industry quite apart from this dry dock altogether? A. Quite so. In my humble opinion, based upon the experience I have had in trying to negotiate for a dry dock, it would be an impossibility to get a dry dock here alone without some great works around about it, and Vickers Sons were the only people who happened to see their opportunity to do that.

*By the Chairman:*

Q. What you did was that you practically went out and found a great industrial concern in Great Britain, that was willing to start works in Canada, and incidental to that you offered them a site if they would put up in addition to their works a dry dock under certain terms? A. Quite so.

Q. And they have managed to form a Canadian company, who are going to do regular commercial business here, partly in connection with shipping and partly in connection with ordinary industrial development? A. Quite so. Let me tell you one more thing before we get off this subject. In addition to the rental and the share of the profits, which I have referred to, the port will have all the railway traffic from the new works over its railway system on the wharf, and then we will have all the wharfage dues besides.

Q. The material for creating that site is being dredged in the river outside of the site itself? A. Yes.

Q. And that will extend very much the present channel accommodation of the river? A. Yes, exceedingly.

Q. Has the dredging been going on? A. Yes, it has been going on for two years.

Q. And this map that is published with your report for last year, does it show the depths as they were at the end of last year at that part of the river? A. Yes, that is taken from the chart of the Marine and Fisheries Department, at the end of last year, so far as the depths are concerned.

Q. Have excavations enough taken place to create the whole thirty acres site? A. No, we have eighteen acres of site created now and we have twelve more to do.

Q. And you are proceeding with the excavation and the deepening of the water for that purpose, and you will have your channel improved? A. Yes.

*By Mr. Lake:*

Q. What will the creation of this site cost to the Commissioners? A. The whole thing will be something in the neighbourhood of one million dollars.

Q. Actual cost to the Harbour Commissioners? A. That is what we estimate it.

Q. And for that million dollars you will accomplish what you have told us? A. Yes.

*By the Chairman:*

Q. When you say it will cost one million dollars to construct the site, you are also receiving for that the benefit of the excavation of the river? A. Yes.

Q. And which would have taken place in any case? A. Yes.

Q. I notice that the excavation, when it is completed up to the edge of the protection piers, will be in line with the quay wall of the harbour? A. In conformity with the bulkhead wall of the harbour.

Q. Running from the Sutherland pier north? A. Yes.

Q. Can you tell me what the depth of water at that flat place was before you commenced to excavate for this site? A. Yes, it was between eight and twelve feet.

Q. And in some places it has now got down to twenty feet? A. Yes.

Q. So that by the time you have completed the site with the excavation material, you will probably have that shoal ground excavated? A. We will have a great part of it excavated.

Q. And gradually widening the harbour at that section? A. Yes.

Q. While we are on that point, perhaps you could tell me from your knowledge as chairman of the Board, who ran the line, marked on the plan. "Future line of wall?" A. That, to the best of my knowledge, was done by the engineering department of the Montreal Harbour Board.

Q. Can you tell me what particular engineers were in charge of that particular work there? A. Mr. Cowie and his assistants.

Q. Do you know who are his assistants? A. Mr. Swan and Mr. Reid.

Q. I can get the names, without troubling you, from the engineering staff? A. Quite so.

Q. Did some trouble arise with the town of Maisonneuve about draining that place? A. Yes, the drain of the town of Maisonneuve came in here near Molson's creek. It originally ran there, but the town had built that without any authority from the harbour. It ran a pipe out into the river that bisected the site of the present basin, and if it had been allowed to remain there we could not have built the dry dock here according to the plans. We notified the town of Maisonneuve and required them to divert their sewage from here and send it out there (indicating). They did it before we filled this in, at a time when it could be done.

Q. I presume I could get a description from the engineering staff about the Maisonneuve sewer? A. Yes, they can tell you all about it. One of the big problems

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we have to meet is this sewage question where all the sewage of the city enters the harbour. We have a case here where the main sewer of the city enters into the river between the Alexandra and King Edward piers in the very busiest part of the harbour, and that sewer pollutes the whole place. We have entered into an agreement with the city of Montreal to divert that and to take it back to Craig street.

Q. Who will do that? A. The nature of our agreement is that we have deposited one-half the estimated cost with the city, and they are to carry out the work and they are to take a lawsuit against the Commissioners, and the courts will decide whose duty it was to divert the sewer. That sewer will be taken back to the Craig street sewer, which deposits itself in front of the gaol in what is called St. Mary's current. To show what a menace to public health this sewage question is, I may say that when the ice is broken up in the winter time, there are two miles of sewage that have become part of the ice and that is set at liberty. The whole winter's sewage of this city gets to become part of the ice and is held up and when it is broken up in the spring that whole two miles of sewage is turned out all over the river.

Q. That brings us to a very important point, has the city of Montreal got for its sewage any sedimentary basin of any kind whatever? A. Not that I know of. I understand they are now going into a scheme which will take care of part of their sewage by some system of that kind.

Q. At the present time all the material that comes from the sewers of any kind and nature goes into the river? A. It practically is emptied into this great port.

Q. And goes down the river and may foul the shores of the river anywhere? A. Absolutely.

Q. So that all the parishes and settlements below here may be all polluted by the sewage of Montreal? A. That is so.

Q. And is the danger of that emphasized by the fact that in the winter time the sewage gets into the ice? A. Yes.

Q. I suppose the salvation of the river shores to a large extent has been in the rush of water in the spring scouring and cleansing and carrying everything with it? A. Yes.

Q. But that means, I suppose, that in the ship channel and along the shores there would be a great deposit of filth from the sewers? A. Quite so. It is in the frazile ice that the sewage gets caught, and the frazile ice is not a solid cake of ice on which the sewage could be carried away. This ice is breaking up and consequently the sewage is practically being deposited in the water and not carried away by the ice.

Q. A great many cities now have sedimentary basins in which the solid parts are precipitated before the liquid is allowed to float off, and there is nothing of that kind in Montreal at present? A. Nothing at all.

Q. All the front of the river, through which the sewage outlets of Montreal go, belongs to the harbour and is under the jurisdiction of the Board? A. Yes.

Q. Just a word with reference to this map we have been talking about; I observe that there is still a portion outside of Isle Ronde that is shallow between that island and the Montreal side, is that being dredged at the present time? A. That is being dredged by the Marine and Fisheries Department, which is the dredging authority in the ship channel.

Q. Does that ship channel, as you call it, extend right up to the piers at the opening of the Lachine canal? A. By a curious situation under the legislation, pertaining to the Harbour Commissioners their jurisdiction does not extend to the ship channel which runs right through their own harbour. The ship channel is under the direction of the Marine and Fisheries Department.

*By Mr. Lake:*

Q. And the dredging of that channel, although it is in the harbour itself, is paid for out of the appropriation for the St. Lafrance ship canal? A. Yes.



*By the Chairman:*

Q. And the dredging that is now going on in the ship channel, in the situation I have referred to, is under the control of the Marine and Fisheries Department? A. Yes.

Q. Are they dredging there at present for the purpose of widening the ship channel, or simply to remove some obstruction? A. They are dredging there for the purpose of widening the ship channel. There is another government dredge doing some work near the wharfs at Longueuil on the south shore. Our authority extends there but it is the Public Works Department dredge that is doing that work at Longueuil. There is also another Public Works dredge doing some work within the confines of the harbour.

Q. So that there are at the present moment three different authorities doing dredging within the confines of the port of Montreal? A. Yes.

Q. There is a Public Works Department dredge doing some work near the wharfs on the south shore, both below and above St. Helen's island? A. Yes.

Q. And the dredges of the Department of Marine and Fisheries are doing work on the ship channel? A. Yes.

Q. And the Board's own dredges are at work also? A. Yes.

Q. What do the Board's own dredges devote their attention to in the way of dredging? A. Most of the Board's dredges at the present time are at work on the dry dock basin. Outside of that we have always a little cleaning up to do of the stuff which silts in. Each year we have to sweep the harbour so as to be sure that the recognized depths are maintained and where we find the berths not according to the standard, we dredge them.

Q. Not including the ship channel? A. Not including the ship channel.

*By Mr. Lake:*

Q. What is the system of sweeping the channel? A. Each spring, and once during the season of navigation, all portions of the harbour other than the ship channel are swept by the Harbour Commissioners to guarantee that the depths shown on the chart are maintained. The sweeper consists of a good-sized scow, under the bottom of which is lowered a steel bar connected to a gauge to record the depth. This boat covers the areas of the harbour. The gauge indicates whether the harbour is of the standard depth. Where the depths are found not as shown on the chart the harbour dredges proceed to the spot and dredge it to the necessary depth.

*By the Chairman:*

Q. Can you tell me whether your experience has shown that there is much deposit taking place in the harbour? A. In the basin there is always a little from the ship's depositing their refuse which, of course, is against the harbour regulations, but which is done almost universally over the world, notwithstanding the law against it.

Q. Is there any deposit from the sewers? A. Where the sewers come in there is dredging to be done extensively in the spring and in the fall. It occupies one-third of the whole plant of the harbour for probably two weeks in the spring and two weeks in the fall.

Q. Do you charge that against the municipality? A. We charge that against the city, but the city has not paid for it. That is one of the things in controversy between us and the city.

Q. You have an outstanding account against the city for that amount? A. We have.

Q. Outside of that deposit which you have described is there much natural deposit in the harbour from sediment coming down the river? A. There is practically none.

Q. I am told that the water of the St. Lawrence when it reaches the river here,

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has practically deposited all its sediment and is a clean water? A. The scour of the current in one way continuously acts as a cleaner of the channel.

Q. And the natural water as it comes over the rapids here is very clean? A. I should say it was.

*By Mr. Lake:*

Q. Has the Montreal Harbour Board always been able to meet the interest on the money loaned to it by the government? A. Yes, sir, the interest has always been met. I understand that this year it amounts to \$550,000.

Mr. Stephens says that the claim of Lyall for damages in connection with the steel shed contract, amounted to \$695,568,79 on the 9th of January, 1907; that Lyall & Sons submitted a detailed claim for this against the Commissioners; that the Board appointed the three gentlemen already named to advise upon the claim made by Lyall and they, after examining into it, submitted a report in which they recommended a payment of \$335,000 and that Lyall & Sons agreed to accept that amount.

*By the Chairman:*

Q. Lyall & Sons were not represented on that Board, as you call it? A. No.

Q. They did not appoint any one of these three men? A. No.

Q. I presume at the time they were appointed, Lyall & Sons were not bound to accept their decision? A. They were not.

Q. These gentlemen acted simply as an advisory board? A. Yes. The amount of the claim was so great and the details so extensive, that if we had gone into it ourselves we simply would have to close ourselves in and do nothing else. At all events we did not feel we were competent to do it, and we created this commission.

Q. You simply created a committee which you appointed yourselves for the purpose of examining the claim and advising you.

*By Mr. Lake:*

Q. Do you remember if Mr. Kennedy at that time repudiated any liability on behalf of the Harbour Commissioners? A. I do not recollect that, there may be something of that kind.

*By the Chairman:*

Q. Anyway, you appointed this committee of our own, you selected them, and they recommended the payment of this amount and Lyall & Sons agreed to accept that? A. Yes.

Q. Did Lyall & Sons agree at once to accept it or were there prolonged negotiations? A. There were prolonged negotiations about the matter. We had the advice of our own committee in our hands before we called Lyall in. Then we offered Lyall a less amount than the committee had found for but he did not accept. We thought we might be able to make a better bargain for the commissioners, if we did not tell the amount of the award, but we found we could not do so.

Q. There is always a possibility that Lyall knew what the amount of the award was? A. He may have known but we did not know that.

Q. You do not know that he knew? A. We did not know.

Q. When you offered a lower amount, he refused; did he name any other amount? A. No, we finally named, as an ultimatum, an offer of the amount that was mentioned in the committee's report to us.

Q. Did he accept that at once? A. No.

Q. You did not offer to pay the whole amount in cash; one hundred thousand dollars was to be retained and paid to him during the progress of the balance of the work? A. It must be remembered that his work was at a standstill and we did not know whether he was going to get on with the job or leave the commission to get

some one else to do it. As a guarantee to the Commissioners that he would finish his job, we made him leave \$100,000 with us.

Q. He went to work and finished the work? A. Yes.

Q. Did the whole \$335,000 that was paid represent a claim for work done and a balance due, or was it for some damages in connection with the contract? A. There had been very great delay and so many changes since the contract was let, that in the meantime prices of material had advanced, labour had become more expensive, and conditions generally changed, so that the work could not be actually carried out by Lyall at his original contract price and he claimed damages for that.

Q. And after that, it was claimed by him that the Board was responsible? A. That is what his claim was in that respect.

Q. And that the neglect had been through the fault of the Board? A. Yes.

Q. I want to ask you concerning some increases of salary which took place to some of the staff. In February, 1911, increases of salary were made to Mr. Swan, Mr. Britzski, Mr. Harvie, Mr. Roberts, Mr. Gagnon, Mr. Ruel, and in August, 1911, there were advances to Harvie, Britzski, Roberts, Fennell. Then on the 1st of January, 1912, there were increases to Swan, Smart, Gagnon, and Ruel? A. Yes.

Q. Mr. Britzski is an engineer? A. He is a draughtsman, I think.

Q. What is Harvie? A. He is an outside engineer and draughtsman.

Q. What is Roberts? A. Roberts is a man who takes levels. He is on the engineering staff.

Q. What is Gagnon? A. Gagnon is a draughtsman and structural steel engineer.

Q. And what is Ruel? A. Ruel was a draughtsman, I think.

Q. Is he in the service of the Board now? A. I do not think he is.

Q. Are the others in the service of the Board? A. Yes.

Q. What is Mr. Fennell? A. He is acting secretary of the Board and he acts as my secretary.

Q. And Mr. Smart? A. He is an accountant in the engineering department.

Q. The whole of those I have named are connected with the engineering department? A. With the exception of Mr. Fennell.

Q. Upon whose recommendation were the increases of the salaries, leaving out Fennell, made? A. Largely on the report of the chief engineer.

Q. Do you know, as a matter of fact, whether there was a written report in each case recommending the increase? A. I think there was.

Q. I do not want to press you on the matter if Mr. Seath, your secretary, can give the information? A. Mr. Seath can give you all that, but I can tell you myself in a few minutes and it will save you the trouble. Take Swan for example. Swan is a man who came out here from Bristol, England. He was a man that both Cowie and myself saw in Bristol on the works. He had special experience in harbour work. He came out here as resident engineer three years ago I think.

Q. How old a man is he? A. He is a man of about 36 or 37 I should think.

Q. Is he married? A. He is married and brought his family out here and lives here.

Q. A civil engineer by profession? A. Yes. He was outside engineer for the whole of the Bristol development works and had a splendid record and he is a thoroughly capable, pushing, and able man.

Q. Well recommended? A. Well recommended.

*By Mr. Lake:*

Q. He was engaged in the creation of that harbour at Bristol? A. Quite so, he came fresh with all his experience in that port just at a time when we wanted a man of that kind.

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*By the Chairman:*

Q. What was his salary at the time? A. \$3,000 and that has been increased to \$3,500, and later to \$4,500 because we could not hold him otherwise.

Q. Has he been a satisfactory man? A. Absolutely, with this exception, that he does not speak French which is a drawback and he sometimes gets into trouble with our French Canadian employees from that fact.

Q. Is it your opinion that he is an able engineer? A. My opinion is that he is the ablest engineer of his kind in the country, in Montreal or anywhere else in Canada. I do not know any man who has had the experience he has had.

Q. And he is attentive to his duty? A. Absolutely.

Q. A sober man? A. A sober man, a man of the highest character in every way.

Q. The Board is pleased with him? A. Yes, he is absolutely satisfactory, and the Board is pleased in every way with him.

Q. Was there any agreement when he came out as to future increases of his salary? A. No, I think not.

Q. How does his salary compare in your opinion with the salaries paid to other men of his standing in other departments of engineering activity? A. Well, he has been offered a great deal more money by contractors in the city here to leave us.

*By Mr. Lake:*

Q. Do you know that yourself? A. I know that. He has been offered a partnership in one of the highest contracting firms we have and that offer was made to him from their observation of what he has done here and his increases of salary have very largely been made—well, I will take the responsibility of it myself if nobody else wants to—his increases have been made to keep him here.

Q. Your Board has been unanimous in favour of him? A. Oh, absolutely, yes.

Q. Well, you do not have to take any responsibility for that because a good man is entitled to be well paid? A. Why, certainly he is.

Q. Well now, we will take the next man, Mr. Gagnon, what about him? A. Mr. Gagnon came to the Commission from the Dominion Bridge Company where he had had a very special and particular training in structural steel work and we have a lot of that structural work to do. The services of a man with that experience is very necessary to the office here. Gagnon has a natural ability for that kind of work.

Q. He is a very well qualified man? A. He is.

Q. He got an increase of salary of \$200 making his salary \$2,000? A. Yes.

Q. And on the 1st January, 1912, he got \$200 more, making his salary \$2,200? A. Yes.

Q. The next man I find on the list is Mr. Harvie who got \$100 increase in February, 1911, making his salary \$1,500 and \$300 increase in August, 1911, making his salary \$1,800, which it is at present, why were there two increases in the one year? A. Just to hold the man and keep him here.

Q. Tell us about him? A. Harvie is one of the best sub-engineers we have got under Mr. Swan and Mr. Cowie. In the report these gentlemen make to the Commissioners he ranks very high and does very good work and very often these men who are first-class men on any job are tempted away by others who want to get their services.

Q. How old a man is he? A. About 30 years, I should think.

Q. Married? A. I am not sure.

Q. A civil engineer by profession? A. I think so.

Q. What would you say about his present salary, is it too much? A. No, it is too low even at the present time, comparing it with what men like him get in commercial life.

Q. You are satisfied of that? A. Yes.

Q. And are you satisfied with the discharge of his duties? A. Absolutely.

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Q. Mr. Britzski got \$100 increase in February, 1911, making \$1,500, and \$300 increase in August, 1911, making \$1,800, what is the explanation of that? A. That is the same explanation as in the case of Mr. Harvie. The reason for his receiving these increases is the same as in the other cases.

Q. How old a man is he? A. Britzski is a man of about 32, I should say.

Q. Married? A. I think he is.

Q. What do you say as to his competency? A. He is the best draughtsman that the engineering department has.

Q. Has he any weaknesses with regard to doing his work? A. Not so far as I know.

Q. Do you know of any complaints concerning his work in May or June, 1911, with regard to attempting to draw a line to connect the Tarte wharf section with the dry dock cribs? A. No, I do not.

Q. Did you hear of any undue delay in that matter or anything of that sort? A. No, I never heard anything about it in any way.

Q. Do you know whether he had anything to do with the Racine wharf? A. There has not been anything done very much with the Racine wharf except to extend the railway down there. There is a wharf alongside of it here that was built for the King Edward Park Company, he probably had something to do with that; it is an extension of that wharf.

Q. You have heard no complaints in connection with his work in any way? A. No, I have not had any complaint of that man in any way. I understand him to be a first-class official of the port.

Q. You say with regard to him that you are satisfied with his proficiency? A. Quite.

Q. You are satisfied with him in every way? A. Yes.

Q. Would you give us a little description of the duties of Mr. Fennell? A. He is assistant secretary to Mr. Seath. Mr. Seath is secretary and treasurer to the Commission and Mr. Fennell is assistant secretary to the Commission. He also does my own correspondence in connection with the Board.

Q. He is in one sense private secretary to you as manager of the Board? A. That is exactly it.

Q. How old a man is he? A. 28 or 29.

Q. Married? A. No.

Q. How long has he been with the Board? A. He was Mr. John Kennedy's secretary before he became secretary to the president.

Q. Then he is connected with this work for several years? A. Yes, and he has a comprehensive knowledge of the office work. greater than any other man outside of Mr. Seath; he is a very valuable man.

Q. Very efficient? A. Thoroughly efficient.

Q. Attentive? A. Attentive in every way.

Q. Good character? A. Good character.

Q. What do you say about his pay? A. I say it is very moderate for the work he does.

Q. It is \$1,800 a year now, he received an increase of \$300 in August? A. Yes.

Q. You speak of course with a pretty complete knowledge of the prevailing commercial prices? A. From time to time we check up our own prices with the prices paid by big industrial concerns here. We get information and we are satisfied that our prices are moderate.

Q. Mr. Ruel left you some time ago? A. I really do not remember when he left or whether he has actually left or not but I have not seen him around lately.

Q. You do not know anything at all about him? A. No.

Q. What does Mr. Smart do? A. Mr. Smart is the accountant of the engineering department and he has been so for many years.

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Q. He got an increase in salary of \$500 on the 1st of January last? A. Yes.

Q. What is his present salary? A. I think it is \$2,500.

Q. How old a man is he? A. 38 or 39.

Q. Is he an efficient man? A. He is a very efficient man; he is a man that is here all the time night and day.

*By Mr. Ducharme:*

Q. Where is Mr. Swan just now? A. At this moment do you mean?

Q. Yes. A. He is up in his office; I do not know exactly where he is but he is on duty.

Q. Have you any knowledge of the payment of this balance of \$300,000 to Mr. Lyall? A. In what way?

Q. As to when the balance was paid? A. I think it was near the end of this contract.

Q. Have you any special recollection as to that? A. No. Of course it was some time after the first instalment had been paid.

Q. Were there any works on the wharf that you had to do over again because they were not properly done? A. There were some changes made.

Q. Was there any unfair discrimination made in the salaries paid to the men? A. No, of course when you increase the salaries of one or two on your staff and don't increase the salaries of the others there are always those who will say that some one was overlooked.

Witness retired.

The Commission adjourned.

MONTREAL, MAY, 23, 1912.

The Public Service Commission continued its inquiry into the Montreal harbour in the offices of the Harbour Board of Montreal.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

A. D. SWAN, Assistant Chief Engineer of the Montreal Harbour Commission,  
sworn.

*Examined by the Chairman:*

Q. How old are you? A. Thirty-nine.

Q. English? A. Scotch.

Q. When did you come to Montreal to take up your official position? A. About three and a half years ago.

Q. What is your present salary? A. \$4,500 a year.

Q. What was it when you came out here? A. \$3,000 a year.

Q. By profession you are a civil engineer? A. Yes, sir.

Q. A graduate of what? A. I was educated in Dundee, Scotland, and attended the University classes there, and then served four years pupilage under the old-

fashioned apprenticeship there. From there I went on to harbour construction in the Firth of Forth. I was two years with the resident engineer there and had a good deal to do with the different small harbour works. Then, I got up a plan for the new harbour at Burned Island. I was afterwards seven years second man in the way of preparing all the parliamentary plans and working drawings which all passed through my hands for the new harbour and dock at Burned Island. The chief engineer was Thomas Mick & Sons of Westminster, London; I joined their staff at the time of the new works and they appointed me second man and I was there for seven or eight years on their actual construction.

Q. Were those harbour works admiralty works? A. No, they were under the direction of a harbour board, but they were really financed, I believe, by the North British Railway Company. They were under the control of what was known as the Burned Island Harbour Board.

Q. That harbour was for ordinary commercial purposes? A. Yes, principally coal exportation. I was retained then to go as Chief Resident Engineer on the new dock works at Hull, Yorkshire. There was some delay in the starting of them and Sir Benjamin Baker, who was the chief consulting engineer, having appointed me to that work, asked me to go to Bristol to take charge of the staff there and prepare the whole of the contract drawings and plans for the new harbour works at Bristol. I took charge of that up to the time the whole job was read to begin. I had a staff of eighteen or twenty assistants there and we did all the preliminary work. Then, on the completion of that, instead of sending me to Hull, they asked me, at the request of the corporation of the city of Bristol to remain there. I remained at Bristol for the first four years of the contract. I was second man on the works at first and then I was changed and made chief for the last three years. During that time, altogether, extending over eight years, taking it on the average, we spent about \$10,000 a day. That was about the work I have done. I had a staff of probably twenty assistants under me. When I was second engineer, I used to see my chief about once in two or three months so that there would be a good deal going on under my charge alone. At the completion of the work there I was engaged by the Harbour Board of Montreal, who had been to Bristol and had seen the work. Lord Strathcona was also there and also the late Prime Minister, Sir Wilfrid Laurier, whom I met there and it was practically arranged, at least it was considered at the time of their visit there, that I would come out here, but there was nothing said about it until I was afterwards appointed. That is roughly my experience.

Q. Since you have come out here, you have been next to Mr. Cowie in rank in the office in the engineering department of the Montreal Harbour Board? A. Yes, sir.

*By Mr. Ducharme:*

Q. At what age did you get your diploma as civil engineer? A. There is no actual diploma in England or Scotland as civil engineer. After a man has served a regular pupilage there of three or four years, as the case may be, then he is called a civil engineer. There is actually not any diploma of civil engineers in Europe.

Q. And no examinations either? A. Oh, of course, there are numerous examinations which I have passed, and I am at this moment a full member of the Institute of Civil Engineers of England. I am also a full member of the Institute of Mechanical Engineers, and I am also a full member of the Canadian Society of Civil Engineers.

Q. When did you pass your last examination? A. I have not passed any examination since I left college.

Q. When would that be? A. About eighteen years ago.

*By the Chairman:*

Q. Under the system that obtained when you were a young man, and that still obtains in England, a man is articled to a firm of engineers? A. Yes.

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Q. And serves a regular apprenticeship? A. Yes.

Q. And then he gets his papers from that firm? A. Yes, certifying that he is a trained civil engineer.

Q. And then he is admitted, if he wishes, to the Institute of Engineers? A. Yes, after he has had many years' experience in responsible positions.

Q. He is not admitted until he has done actual work in responsible positions? A. That is so. In fact, it is only recently that I was admitted a full member of the Institute of Civil Engineers in England, and that is considered one of the strictest professional societies in existence anywhere. You have to be actually fifteen years proven to be in a responsible position in charge of work before you are admitted to be a full member of that society.

Q. The reason why my colleague asked the question about a diploma is that our engineers in this country usually get a diploma from a university or educational institution. They do not serve an apprenticeship in this country as they do in England? A. You are taught your profession practically there. I would have probably half a dozen pupils under me and each one of these would pay £300 to £500 to be taught their profession, and they would not be paid any salary at all for the first three or four years. You have to be paid to be taught your profession in England, and during that time you are paid no salary. I may mention that I have all my diplomas, of course.

Q. I just wanted, by way of introduction, to get that on the record; would you tell me what in general is the line of duties which you have to perform under Mr. Cowie? A. All the working detailed drawings are prepared under my supervision and the quantities are taken from these drawings for the ordering of material, and the whole work outside is carried out under my supervision.

Q. And under your direct personal inspection? A. I personally direct the work myself.

Q. You pass over the work that is going on under your subordinates from time to time and see that everything is all right? A. Every day, during the construction season, I am around the work with my leading foreman, and, if possible, with other assistants under me, but always with my leading foreman. I give him instructions exactly how to do things, to direct the men whether we are going to start this job or the next job, and how it is going to be done, and generally I keep an eye as far as possible upon the whole programme of work right from beginning to end.

Q. Your position is such and your familiarity with the work is such that in case Mr. Cowie has to go away for a time, as he is at the present moment, the works of the harbour go right on without interruption? A. Oh, most decidedly.

Q. Practically in connection with all these details of preparing plans to carry out the policy which has been decided upon, and the actual work which is going on, that comes under your supervision? A. Yes, sir.

Q. Then, each of these subordinate engineers is answerable to you? A. Yes, practically. There is one, or, there are practically two, of the men in the head office who are more directly concerned with the harbour work, and so on; every member of the staff is supposed to be under me.

Q. Now that you have the title, your position will be recognized as the deputy of the chief engineer? A. That is so, sir.

Q. But in the engineering staff, there are a couple of men who remain in the office all the time? A. Yes, but of course they are under my instructions when I come into the office. I generally come into the office for two or three hours every day, the rest of the time I am entirely out on the works, going from one place to another in the various little branch offices.

Q. Who are your chief assistants in order of seniority, who is your first assistant? A. There are two or three on the same standing. The work is scattered over such a large area, an area of five miles, that I arrange so that there is one assistant at each



place, whom I make responsible for the setting out of the work. Instead of having the assistants covering one another, I give one man his limits and then another man his limits and so on.

Q. Who are they? A. Beginning at the west end, shed No. 16, Mr. Gagnon is the assistant there. Then, the other part of the work below that is given to Mr. Harvie beginning at the market basin; he has one or two juniors under him. Then, down at the dry dock work and during the winter months and spring he was engaged fleet, there is Mr. Reid, who is leading assistant outdoors, changing the fleet about, the tugs and fleet of dredges and so on.

Q. What is Mr. Ryan? A. He was engaged about six months ago to begin with, down at the dry dock work and during the winter months and spring he was engaged in the office up here; he is in the office at this moment.

Q. When you say he was engaged, what do you mean? A. He joined the staff.

Q. He has been steadily employed since he joined the staff? A. Yes, sir.

Q. You had a Mr. Ruel employed at one time, what was he? A. He is still employed; he was junior draughtsman in the office upstairs. Recently, I sent him out to assist Mr. Harvie on the outdoors work, more particularly at the market basin.

Q. Then you have a Mr. Leclair? A. He is more of a steel structural man; he had to do with the drawings; he is a steel work designer in connection with the sheds; he is entirely in the office.

Q. Does that comprehend the whole engineering staff? What about Mr. Roberts? A. Roberts is a sort of superior rodman. He was and is officially on the books as a rodman. He is a sort of glorified rodman; he is rather too good for a rodman and not good enough for an engineer; I would call him a junior assistant engineer; he has not graduated but I suppose he is working up.

Q. He is working up? A. Yes, he is gradually working up.

Q. Does that complete the engineering staff or have you some other assistants? A. There is another junior assistant engineer with Mr. Britzski on the dry dock. He joined only two or three days ago. He has been a pupil here for several years; he is a French boy, his name is Gratton. He has worked here and has received a few months training during the summer time for two or three years.

Q. He has only been put on the staff within the past three or four days? A. Yes, but he worked during last summer for several months and also during the summer before.

Q. What do you call him now? A. Junior assistant.

Q. What salary is he getting? A. I am not quite sure, but I think it is seventy dollars per month.

Q. What is he doing? A. He is assistant to Mr. Britzski assistant in setting out the works and giving levels and so on. That is the complete staff so far as I remember.

Q. I do not want to go over each one of them, but might I ask if all these men are quite satisfactory in their work? A. There is one man who is under notice from the Board now, and I think he leaves in a week or two. He is a man who has only been a short time on the staff and his work was rather disappointing. As a matter of fact, it is to fill his place that this new man, Gratton, started two or three days ago.

Q. Who is the man under notice? A. Ryan.

Q. What has been the trouble with him? A. Inability. He is a very decent fellow, there is nothing wrong with him.

Q. Is there any trouble with any other member of the staff? A. No, sir, all the rest are fully qualified men, at their work.

Q. We have heard some little evidence with reference to Mr. Gagnon, some complaints of his alleged inattention, his alleged non-attendance, perhaps I had better put it, have you anything to say on that point? A. He is one man that comes rather more directly under Mr. Cowie than under myself, and in that way I have very little to do with him. There is no denying the fact that he is a little lax in that way.

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Q. You spoke of him as being in charge of the first division under you? A. Yes, shed No. 16.

Q. How is it that he does not come under your direct observation? A. That is contract work; that is the only bit of work that is done by outside contractors.

Q. Is it a shed that is being built? A. Yes.

Q. Who by? A. Peter Lyall.

Q. Is that part of their original contract for sheds? A. Oh no, sir, that is a new contract.

Q. And is now being built by contract it is under the supervision of Mr. Gagnon, who reports more directly to Mr. Cowie than to you? A. Yes, sir.

Q. Mr. Cowie would be the best witness as to that? A. I would suggest so.

Q. I would like particularly to ask you concerning a Mr. Britzski that you have on your staff; what have you to say about his professional work and his qualifications? A. He is a very good man. Mr. Britzski I consider a first-class man, thoroughly trained, fully qualified in every respect. I should say he is one of the best draughtsmen and designers that one could possibly get. He is a man in whom I have every confidence; he has seen a great deal of work.

Q. His name is peculiar, what is his nationality? A. I do not know, he is a British subject; I think his father or his grandfather was an Admiral in the British Navy; he was educated at Edinburgh and Cambridge Universities.

Q. We may generally speak of him as being British? A. Oh, yes, most decidedly.

Q. Do you know how long he has been a member of the engineering staff here? A. About three years; he came on the staff here when we were preparing all the drawings and during the first six or nine months it was entirely indoor work preparing all the drawings; he joined our staff then.

Q. That was shortly after you joined it? A. Yes, sir.

Q. So that his connection with the Board has been entirely under your observation all the time? A. Yes, sir.

Q. And you say what you have said, in reference to his qualifications, as the result of your observation of him? A. Yes, sir.

Q. Have you had, at any time, occasion to find fault with some of his work? A. None whatever.

Q. Have you ever noticed that he has been unduly slow about his work? A. No. He is very careful, exceedingly careful; he is the most careful man on the staff.

Q. And I presume that is a very important qualification? A. Oh most decidedly so

Q. It may mean a tremendous lot of waste if he is not careful? A. Oh most decidedly. He is very deliberate, and probably to outside people who do not appreciate his carefulness and the absolute accuracy of his work he might appear slow. I would trust him—in fact he is the best mathematician on the staff of the Harbour Commissioners, there is no question about that at all. He is a most fully qualified man to do careful calculations. He is the best man I know to deal with things that require to be carefully and quietly gone into. He is a fully qualified man, a man of very considerable experience, and well trained.

*By Mr. Lake:*

Q. I suppose he had long experience before he came to you here? A. Oh yes, he was on a railway in Canada for some two or three years; I think it is called the Gaspé Railway. he was connected with the Gaspé Railway terminal work. I do not know who his employer was but it was some Canadian company and he was on that work for about two years. He was chief man in charge of the survey, camping there during the winter and so on. When he was in England he was working in the service of a Royal Commission as their second man, dealing with the London traffic,

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and he was specially selected by them because of his carefulness and reliability. His work, as a draughtsman is a treat to be seen.

Q. Did you have anything to do with drawing some lines connecting the Tarte wharf with the dry dock site? A. I do not understand that.

Q. I cannot very well define it for you myself, because I have only a general statement in some notes here about it? A. We made a railway bank last year from the Tarte pier to the dry dock.

Q. Did Mr. Britzski have anything to do with laying down that line or locating it? A. There was not much location about it.

Q. I have no definite information about it and the best I can do is to read to you from a very poor note in reference to it which I have here. This note refers to Mr. Reid, who is Mr. Reid? A. Mr. Reid is an old servant on the staff here, a sort of assistant marine man. He does the sweeping of the channel and supervises the sinking of the cribs and generally places the dredges and there is hardly a thing that Reid does not have something to do with. He does the whole of the testing of the channel; he is really supposed to be second assistant to Mr. Yale, the marine superintendent.

Q. I have some memorandum of complaint here about the drawing of a line which would connect the Tarte wharf to the front of the cribs for the dry dock? A. Yes, I suppose that line indicated on the map.

Q. That line was not physically drawn, was it? A. No.

Q. It was only done on the maps, I suppose? A. I presume so.

Q. Do you know anything about a line having been drawn there? A. No. That line on the map was the original base line.

Q. In building the protection pier for the dry dock site the foundation was made of crib work? A. The foundation of the wall was on crib work.

Q. Before that cribwork could be put in place it was necessary to dredge the site? A. Yes.

Q. The cribs were built up near the sawmill of the Board at the entrance to Windmill Point basin? A. Yes.

Q. These cribs were made as high as it was safe to make them at that place and then they were floated down the river to the site which had been prepared for them? A. Yes.

Q. Then, they would be towed into their proper position and sunk? A. Yes.

Q. And then they are built upon with a concrete superstructure? A. Yes.

Q. While the cribs were being built in 1911, near the sawmill, the work or dredging the site for the cribs was going on? A. At what time of the year was that?

Q. In May, it is said that Mr. Britzski went down and passed the summer there? A. Yes.

Q. In May and June he was drawing lines, according to this statement? A. Yes, we were not ready to sink the cribs until September of last year.

Q. In the beginning of 1911, Mr. Britzski occupied a temporary office at Molson's Creek and was in charge of the work at the dry dock? A. Yes, sir.

Q. He would have to lay out the lines which the piers were to occupy? A. Yes.

Q. And where the excavation was to take place? A. Yes, sir.

Q. That would occupy considerable time? A. Oh, yes.

Q. Were the cribs, as a matter of fact, ready to go on the site at the time the excavation was finished? A. Yes, because they were simply prepared—you see you cannot sink the cribs until the water reaches a certain level; you cannot sink the cribs until pretty well on in the season when the water gets low, and when the water reaches a level of about five feet above extreme low water. If there is five feet above low water you can commence to sink the cribs, so that it means you cannot commence crib-sinking as a rule until probably about August. That is the rule; there might be exceptional cases.

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Q. Were the cribs ready to be sunk at the time the water had got that low?  
A. Oh, yes.

Q. Then there was no delay in crib-sinking because of slowness in preparing the site for them down at the dry dock? A. Certainly not. I did not begin making these cribs, as far as I remember without looking at my record, until July.

*By Mr. Ducharme:*

Q. The charge made is that these cribs were started to be constructed late in the season on account of Mr. Britzski having taken up his time uselessly in drawing lines at the dry dock? A. It is absolutely not the case.

*By the Chairman:*

Q. There are two elements mixed up there; the delay in drawing lines at the dry dock would have nothing whatever to do with the construction of the cribs at the saw-mill? A. No.

Q. That would go on nevertheless? A. Oh, yes, quite independently of the drawing of the lines.

Q. The only delay the drawing of the lines could occasion would be in not allowing the excavation to be done in time? A. Yes.

Q. If there had been delay in drawing the lines it might interfere with the excavation? A. It might.

Q. As a matter of fact it did not? A. It did not. The line to form the future line of the wharf wall shown on the plan attached to the annual report of the Board, had to be set out very exactly, so that when it came to be built it would be in the same straight line as all the other piers, all the other piers and bulk-head work of the harbour scheme.

Q. That line was set out by Mr. Britzski? A. Yes. Then, from that line was set out the inner line of the protection pier next to the basin, and then from the inner line of the protection pier next to the basin was set out the whole line of the basin wall.

Q. And all that was done by Mr. Britzski? A. The whole thing.

Q. And you say that would be very accurate and particular work? A. That is work in which very great accuracy indeed is required.

Q. Was he unduly long in doing that in your opinion? A. Not at all.

Q. What was the quality of his work on that, so far as you have observed? A. It is first-class work.

Q. Was the work good? A. The work was good.

Q. Have the plans made of that work been satisfactory to you? A. Yes, sir.

Q. And up to the present moment have you had the slightest reason to find any fault with the work? A. None whatever.

*By Mr. Ducharme:*

Q. Was the construction of these cribs under the supervision of Mr. Britzski?  
A. Not at the sawmill, but after they got to the site they came under his jurisdiction.

Q. Who superintended the construction of the cribs? A. The plans were prepared in the office here beforehand.

Q. Mr. Britzski was in charge of the work on the dry dock? A. Yes.

Q. And you ordered the construction of the cribs and fixed the day at which they should be ready? A. I did.

*By the Chairman:*

Q. Mr. Britzski would not have anything to do with the cribs until they were to be placed in situ? A. Not until they arrived down there.

Q. Then in the placing of them on the line and in the completion of their construction on the work that was going on, he would be in charge? A. Yes, sir.

Q. Is Mr. Reid the kind of man whose qualifications would enable him to pass any fair judgment on what Mr. Britzski was doing? A. I should not say so.

Q. Could he know from time to time what Mr. Britzski was doing in the office work? A. I should not say so. Reid was down there only part of the time and part of the time he would be in other places. Reid was a sort of first foreman in crib-sinking all over the harbour so that occasionally there might be days when he was not down there at all, if he was sinking cribs at another end of the harbour.

Q. Was there any difficulty about placing one of these cribs late in the season, which caused it to be anchored in the dock? A. No, sir. The official programme at the beginning of the season, on which I was told to try and work, was to provide 600 feet of cribwork at the dry dock during last season. Instead of getting 600 feet in I got 800 feet in and then it was a question just how long the winter was going to keep off, and I said that if we should have an extremely long fall we would probably get in 900 feet.

Q. You were trying to get in as much as you could that season? A. We were trying to get in just as much as we could.

Q. How much would the whole length be? A. 1,000 feet and our official programme last year was to get in 600. I got 800 instead of the 600, and having done that I thought well if we can get in some more well and good, so we started out and began preparing the foundations to get in another hundred feet and we went on preparing the cribwork also, but we had to give it up on account of the winter setting in. Another couple of days would have done it, but we did not get that far. The crib was moored down there and it is now ready to go into position as soon as the water goes down.

Q. It was really moored because you were trying to get so much more done than the official programme called for that season; you were forcing the season, as it were? A. That is it.

Q. And when the season got too late for you, you simply anchored the crib there, to be used this spring? A. Yes, sir.

Q. Why has it not been put in place yet? A. The water is not sufficiently far down yet, but the excavation for the crib is being proceeded with.

Q. And I suppose it will not take very long to complete sufficient excavation for the pier there? A. Oh, no, just as soon as the water goes down we will put it in place.

Q. Did you have any trouble in the latter part of the season in preparing concrete? A. No.

Q. I presume that when the cold weather came on you would have to use hot water for your concrete? A. Yes, sir.

Q. Did you have any trouble in getting hot water when it was needed? A. Not so far as I am aware. It was simply a question of turning the steam pipe from the boiler to the tank and keeping it hot and if there was any trouble it was for the foreman to look to that.

Q. Were you personally, I mean yourself, with the work going on day by day down there? A. Yes, sir, I made myself very objectionable probably to the foreman, because one day when I went down and found he was not using hot water I told him to do so and that was the only trouble there was about the hot water.

Q. If he was not doing it right, would not Mr. Britzski be to blame for it? A. This was in the morning and besides as far as possible I do not like the assistants to interfere with the actual construction of the work. They are supposed to notice things if there should be anything wrong, but their time is practically very largely taken up with the engineering part of setting out and all that sort of thing and the ordering of material. They have to order all their material and see that it is brought forward and see that the foremen are not kept waiting for the material, and they have to get after the people to see that the material is on the ground.

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Q. For the actual work of construction going on you have that in charge of competent foremen? A. Yes, sir.

Q. These foremen are directly responsible to you? A. They are, under my leading foreman. I have had a head leading foreman, who has charge, under me, of the whole job from beginning to end.

Q. Who is he? A. McMullen.

Q. In connection with this work on the dry dock would Mr. McMullen, as foreman, be passing over that work? A. Yes, sir.

Q. There would be, of course, a local foreman in charge of the work there? A. Yes.

Q. And Mr. McMullen would be supervising and you would be supervising? A. Yes.

Q. Mr. Britzski and the engineering staff would be there for the purpose of giving levels and ordering material and the like of that? A. Yes.

Q. If they saw any thing wrong concerning the concrete or anything of that sort, it would be their duty to report; what would their duty be under such circumstances?

A. They would probably direct the attention of the foreman to it, and if it was anything serious they would at once direct my attention to it, either by telephone or the next time I was down there, which would be soon.

Q. With regard to the actual concrete that is there, have you examined it this spring? A. Yes, sir.

Q. What appears to have been the quality of the work? A. The work is good.

Q. There is no dissatisfaction with it at all? A. Not so far as I know.

Q. There is no sign of anything being wrong? A. No, sir. I might also say that it was built under the supervision of the resident engineer or architect of Messrs. Vickers of England, who is out here all the time, and it has this year been examined with another engineer whom they have sent out here and who is at liberty to be there all the time.

Q. Have any complaints been received from these persons concerning the concrete? A. No, sir.

Q. You have no cause whatever to even suspect that the concrete was not of the very best kind? A. Not in the slightest.

Q. With reference to the situation of the cribs on the protection pier has there been any fault as to their alignment? A. I do not understand.

Q. Have they not got out of the bulkhead line that was laid down for them? A. Not more than an inch or two; you cannot make cribwork within an inch or two; they have an extraordinary good line on the cribwork on the dry dock. I do not believe that it is more than an inch or two out of alignment.

Q. Have any of the cribs been a foot out of line? A. No, sir.

Q. Or six inches? A. I should say there is one, the bottom crib at the protection pier, in which there has been a curving in owing to unequal settlement of the ground there, and I should think it is probably six or seven inches.

Q. I have in a note here a statement that the last crib placed was the worst? A. That is the crib.

Q. You say it is six or seven inches out? A. Yes, but it is correct at both ends. That is a peculiar thing about it. It took a sort of funny settlement there which I cannot account for. The crib is exactly right at both ends, but it is a timber crib and it twisted; it bulges inward into the basin to some extent.

Q. Has that any serious effect? A. None whatever. We put on additional timber to take out the slight unequal line and bring it to the true line.

Q. That has been done? A. Yes.

Q. It was only a question of putting more timber on? A. Yes.

Q. It has no effect on the structure? A. None whatever.

Q. And it could not have any disastrous effect on the work? A. Not at all; it is simply a detail of everyday construction in cribwork.

Q. And it commonly happens? A. I should say so; in every crib practically which is sunk in the harbour we have to line them up an inch or two and in some cases six inches. In one or two cases there was a foot or so. I know of certain cases, but this is not in connection with Montreal harbour, where the cribs were out five feet. In this particular crib it was out of line and there was a timber put in, but I may say that the cribwork on the dry dock is exceptionally good and is the best cribwork I have had anything to do with.

Q. Anywhere or at any time? A. Well, I have never had very much to do with cribwork before I came here, because it is not much used in the old country, but the site here lent itself to cribwork and it is good work.

Q. Has anybody said to you that it was poor cribwork? A. No, sir.

Q. Has this Mr. Reid ever complained about the quality of the cribwork? A. Very far from it. He is the man actually in charge under me of the sinking of these cribs, so that if there was anything at fault, or anything that could be better, or if anything happened to the cribs, I would get down on him so that very likely he is the last man to say we made a bad job of it.

Q. I do not wish you to understand that Mr. Reid has made any complaints to us? A. I understand, Mr. Reid is a very experienced man, he has sunk every crib in Montreal harbour, Mr. Kennedy tells me; he has done nothing else than that.

Q. Was that last crib moved two or three times? A. Yes, there was some trouble with it.

Q. Tell us what was the trouble? A. When we were bringing it down from Windmill Basin it got aground when they were bringing it in; there was only a narrow channel at that time.

Q. Was that on the shallow bank which is outside the dock site? A. Yes, she got aground there and one of the bottom timbers got twisted underneath. There was no way of detecting that. No one could tell that until we actually came to sink her in position unless we sent down divers to make an examination at the time. It was only when we got the crib in position that we discovered one of the timbers had got torn off when she went aground.

Q. You discovered that that timber was out of place by the fact that the crib was not settling evenly? A. Yes.

Q. The cause of that grounding would be, would it, because the crib had been constructed a little too heavily at the mill? A. No sir, she had plenty, quite plenty to spare, but there came on a gale when they were going down, and just when they were turning around a corner the tugs let her get into the edge of the bank. That was all there was in it.

Q. There was a shallow place there? A. Yes, that is all shallow there, that is the channel that is being dredged.

Q. And she got into a shallow place because of the high wind? A. Yes.

Q. It was nobody's fault, the act of God? A. Yes, and altogether it was a very slight affair.

Q. What was done to cure it? A. It was taken out of position. I sent a diver down and he got the obstructing timber out of the way and it was then sunk in its proper position.

Q. A timber was displaced and the diver got it out of the way, and as soon as it was removed the thing went all right? A. Yes, sir.

Q. Speaking of the first crib for the protection pier which was prepared for sinking last year, was it at anchor in the entrance of the dry dock for some time? A. I expect it was.

Q. Would Mr. Britzski be in any sense or degree responsible for the delay? A. No, sir.

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Q. Do you know whether, with regard to that first crib, it was necessary to take away any layers of timber to make it lighter? A. No, sir, not the first crib.

Q. Was it necessary with regard to any of the other cribs? A. We took off one timber off the third crib that there was difficulty about.

Q. That was the last crib? A. Yes, there was some difficulty about getting it on to a level bed; it was a six inch layer of timber we took off.

Q. How much water would that first crib be drawing when it floated down? A. I presume that there would be eighteen courses and that she would be drawing about sixteen or eighteen feet.

Q. Would any crib be drawing as much as thirty feet of water when it was brought down? A. No, sir, nothing like it. I have never taken any crib through the current with more than twenty courses, and then she would be drawing roughly about eighteen feet.

Q. In any case, if there was any delay, and we can find out about that by other evidence, you say Mr. Britzski was entirely free of responsibility for it? A. Yes, sir.

Q. Did Mr. Britzski make a plan for what is known as the Racine wharf? A. Yes.

Q. Is there really any Racine wharf? A. Yes, it is marked on the plan, and next to it is a timber structure called the King Edward Park Company's wharf, that is under construction now.

Q. Who made the plans for that wharf? A. As far as I remember I think it was Mr. Britzski.

Q. Was there any trouble about the plan? A. No, sir.

Q. I have a note here which says that no approach was provided for it; do you understand what that means? A. I do not.

Q. I presume it means the approach to the pier, from the waterside that pier projects into the channel as shown in this plan? A. Yes.

Q. So that on the waterside, when the pier is constructed, there would be deep water? A. Yes, sir.

Q. On the shore side, is it necessary to get down on it that there should be an approach made? A. No.

Q. Is there a high bank of any kind around it? A. We are filling it in and making it level at the back. We are making it level with the pier.

Q. Was there a depression between the wharf and the bank, or was the work itself very low? A. It was a natural sloping foreshore running out, and a certain distance out we are making a new pier and at the bottom of the new pier we are filling in so as to make it level with the site.

Q. And up to the high water level, of course that belongs to the Board? A. It would, I should think be the boundary line.

Q. Inside of that who owns the property? A. I do not know.

Q. What is that King Edward Park Company pier intended for? A. For passenger traffic.

Q. Which will come to the pier? A. Yes.

Q. Is it a part of the Racine wharf scheme? A. It is an extension of it.

Q. What special purpose is it intended to serve? A. It is for passenger traffic to King Edward park.

Q. There is a park there? A. There is a park further down the river; it is on an island in the river, and in connection with it a fleet of passenger boats which were to ply back and forward, and last year they did a tremendously big business.

Q. Away down the river there is a park called the King Edward park, belonging to a company, and they come to this Racine wharf section with their ferry boats and the people would come there to join the ferry boats? A. Yes.

Q. Is there a road leading down to the wharf? A. It is a new wharf, it is not yet completed, and is not in use, but there is a road, and always has been a road, to the Racine wharf.



Q. And from the Racine wharf they would go on to this wharf which is an extension? A. Yes.

Q. And to the Racine wharf is an approach and there has been an approach and there continues to be one? A. Yes, this new part here has never been used, it is not completed yet, it is in course of construction.

Q. You cannot understand what my information means by saying that there was no approach provided for it? A. It occurs to me that what he may mean is the slipway in the pier. With reference to that, after the work was commenced and after the work had been approved and everything ready, the proprietors came and asked us to make the slipways in the pier so that they could handle their traffic easier. I do not know what their arguments were. These slipways would be a sort of slope, so that if a steamer came along which had a low deck they could put out their gang planks to it. They did not ask for that originally and they saw the plans and the plans were approved of, and then after, when the job was going on, they asked us to put slipways in. That is the only suggestion I can make as to the meaning of that.

Q. Are these slipways usually provided in the wharf? A. No, they are not in the Racine wharf at all. We are making them by special request and in certain positions, at the low level wharf in the centre of the harbour, but they did not have any slipways down at the Racine wharf last year. I understand it was a business arrangement.

Q. It was not a question of negligence in not providing them in the plan in the first place? A. Nothing of the kind whatever, and besides that the plans were all approved of.

Q. The plans were not only approved by the engineering department but by the people who are interested? A. Yes.

Q. And they made this request at some date later on? A. Yes. Of course, that may not be what the complaint is about at all, but that is the only thing I can possibly think it must refer to.

Q. Would Mr. Britzski be responsible for not putting them in the original plan? A. No, sir, it was never intended that they should be on the plan in the first place.

Q. I want to ask you another question; it is said the preparations for the dry dock interfered with the drainage pipe from the town of Maisonneuve; do you know the subject to which I refer? A. Yes, sir.

Q. This pipe came down and projected through the foreshore into the river? A. Yes, sir.

Q. And when you commenced to make your dry dock preparations there, the point at which it did come out, if prolonged, would have led right through what you call the basin, would it not? A. Yes.

Q. The basin is about fifty feet deep? A. Yes, sir.

Q. And instead of prolonging it through the basin it was carried west some distance until it got above the slipway? A. Yes, sir, it discharged into section 54 at the west end of the basin.

Q. Then, if it had been prolonged in a straight line from the place it came out, it would have crossed the slipway? A. Yes.

*By Mr. Ducharme:*

Q. How deep is the slipway? A. Roughly, about twenty-four feet deep.

*By the Chairman:*

Q. If you had gone on with a straight line it would have been necessary to put that pipe underneath the slipway? A. Oh, yes, a very long way and besides that you would have ships of tremendous tonnage resting on top of the pipe.

Q. And that would have been impracticable in any case because it would have come out into the river at a great depth? A. Yes, sir.

Q. Then again, in case of repairs or anything of that sort, it would have been impossible to get to it? A. Yes.

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Q. And if repairs were ever necessary to that pipe you would have to go down through the slipway to get at it? A. Yes.

Q. Instead of carrying it straight it was diverted to the west and carried beyond the head of the slipway and then put into the river? A. Yes, sir.

Q. When I say it was done, that was planned, has it actually been done? A. It has practically been done. From the old outlet west along the shore the brickwork culvert has been put in; it is a brickwork culvert. I did not do that. That was done by the Maisonneuve corporation by contract and that part has been completed and they are going on with the outfall now.

Q. Do you say the town of Maisonneuve is going on with it? A. Yes, sir.

Q. The town of Maisonneuve is doing that work itself? A. Yes.

Q. On the ground, of course, that it is a municipal undertaking entirely? A. I presume so.

*By Mr. Ducharme:*

Q. Is there any charge made against the government on account of it, do you know if the town of Maisonneuve is making a claim against the government? A. Not so far as I am aware.

The CHAIRMAN.—What has the government got to do with it; the Harbour Board is an independent corporation of itself.

*By Mr. Ducharme:*

Q. You never heard of that? A. No.

*By the Chairman:*

Q. My informant says: it would be very easy to place a pipe in a straight line from the old exit straight across; is that correct? A. To my mind it would be a very silly thing to do.

Q. For what reason? A. Because you would have to go to a great depth and when it was done you would have very heavy vessels resting directly practically on top of your pipe, because the vessels are going up on the slipway and there is a tremendous tonnage resting there, and ten to one they would have broken the pipe.

Q. And in point of expense what have you to say? A. It is much cheaper to go the way they have gone as suggested by their own engineer.

Q. In taking the pipe from the exit of the drain west, did you go any further west than was absolutely necessary to get a good way across? A. We had nothing to do with it.

Q. You had nothing to do with it? A. No, the Maisonneuve corporation engineers submitted plans for the approval of the Harbour Board and these plans were approved and the work was carried out by the Maisonneuve corporation.

Q. Your engineering staff are not responsible at all for the present position? A. We have nothing whatever to do with it, except to see that it did not interfere with our harbour work.

Q. You did not give, and Mr. Britzski did not give, the line upon which the drain is being built? A. We had nothing whatever to do with it.

Q. That line given to the contractors would be given by the municipal authorities of Maisonneuve? A. I suppose so.

Q. Do you know whether they dug an open place for it which they afterwards abandoned or filled in? A. I believe they altered their line somewhat.

Q. And for that alteration you were not responsible? A. We had nothing whatever to do with it.

Q. There is a Mr. Lunan engaged in your service? A. He is the foreman or superintendent at the sawmill.

Q. What does Mr. Roberts do? A. Do you mean just now?

Q. What has he charge of? A. Last year, he was assistant to Harvie, a sort of superior rodman. He was at that for a certain time. Then lately, towards the end of the season, about half through the season, he was put on night duty to supervise the work.

Q. Was Mr. Roberts on the staff when you came here? A. Yes, sir.

Q. Has there been any complaint with regard to the nature of his work? A. No, sir, not so far as I am aware.

Q. Have you observed his work personally? A. Oh, yes.

Q. Is it satisfactory to you? A. Yes, sir.

Q. Do you know of any mistake that was made about the level of bridges and concrete along the line of railway? A. No, sir.

Q. I have a note to say that too much concrete was put on in one place and not enough in another and that a large amount of expense was incurred in consequence? A. Mr. Roberts had nothing to do with that. The work was put in in accordance with the drawings which were prepared and afterwards the alteration was made in the steel work design. It was found that we could get better design in the steel work by making some slight alterations and that it would be much cheaper. and that necessitated knocking off three or four inches, it may have been six inches, of the top edge of the concrete for a length of thirty or fifty feet.

Q. And you say that concrete was knocked off because of a change of design in the bridge? A. Yes, sir.

Q. And the change of design was made in the office? A. Yes, sir.

Q. And it was not done through an error having been made? A. No, sir, it was made through an alteration in the design.

Q. Which was in consequence of ascertaining that money could be saved? A. It was done intentionally for that purpose.

Q. It was not done accidentally or because of negligence? A. No, sir, it was simply an alteration in the design of the steel work.

Q. And not a mistake? A. No, sir.

Q. And in any case, Mr. Roberts had nothing to do with it, he was simply obeying orders? A. In fact, I do not believe he had anything to do with it at all except probably to hold the level.

Q. Do you remember in what year the present contract with Vickers Maxim or Vickers, Limited, was made? A. I cannot give the date now.

Q. Was it last year or the year before? A. The year before.

Q. Some time during the year 1910? A. Yes, sir.

Q. You were at work here at that time? A. Yes, sir.

Q. Have any of your present staff been employed since that time; I refer to your engineering staff; have any of them commenced their work with you since that date? A. Yes.

Q. Who? A. Well, last week there was Mr. Gratton.

Q. He is a French Canadian? A. Yes, sir. About six months ago, there was Mr. Ryan.

Q. What is his nationality? A. He is a Canadian, he was educated at McGill.

Q. And who else since you came here? A. Mr. Leclaire.

Q. How long ago was he put on? A. Six or nine months ago.

*By Mr. Ducharme:*

Q. Who engaged these people? A. The Commissioners.

Q. You don't engage any men? A. I do not engage any of the staff.

*By the Chairman:*

Q. Is there an assistant in the engineer's office during the winter; is the whole engineering staff kept on all the year around? A. Yes.

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Q. I have a reference here to an English assistant being kept on in the office during the winter when there was nothing to do; do you know of anybody who was kept on during the winter? A. The whole staff is kept on.

Q. Is there anybody doing nothing during the winter? A. Not so far as I am aware.

Q. What class of work does your staff do during the winter? A. They do survey work, boring through the ice in places where it is impossible to do it in the summer time, and they prepare all the drawings for the ensuing season's work.

Q. Is the winter season with your staff a fairly busy season? A. Yes, sir.

Q. Of course owing to the nature of the climate in the port of Montreal, a great deal of the activities of the harbour work has to cease in the winter time? A. Yes, sir.

Q. And you have to keep a staff at work? A. Yes, as a matter of fact, the engineering staff are kept fairly busy throughout the winter, because they have all the drawings and all the schemes to be prepared for the coming season and, as a matter of fact, the construction men do not come into the head office until about Christmas, so that there is only January, February and March in the office.

Q. And I suppose, speaking generally of the staff of the Harbour Board, it is necessary really, in order to keep good men that you should keep them throughout the year in permanent employment? A. Certainly.

Q. And I suppose you could not hope to keep good men on your engineering staff unless you could employ them all the year round? A. No, sir.

Q. Even if it were true that they should not be busy in the winter, it would be necessary to keep the men if you want to hold good men? A. Yes.

Q. And I suppose in this country there is a large demand for experienced men of that kind? A. There is.

Q. Who is Mr. Beaudry? A. He is the foreman carpenter.

Q. He is a French Canadian, judging from his name? A. Yes, sir.

Q. A good many of your carpenters are French Canadians? A. Yes, sir, practically—I would not like to say all, but I should say—ninety-five per cent of the carpenters are French.

Q. I have been told by the Chairman of the Board that the French Canadians are specially excellent in carpentry work? A. Yes, they are very good carpenters.

Q. And they are great crib builders, are they not? A. They are very good men on crib-work; all of the crib men are French.

Q. The chairman of the Board went so far as to say to me that in cribwork they were away beyond all others in the speed and excellence of their work, is that your experience? A. Yes, sir, they are particularly qualified and experienced in that class of work, which other nationalities which you get here have no experience of.

Q. The average immigrant coming into the country, especially the English immigrant, would not be good at such special work as cribwork? A. Not in the ordinary case, they have no experience of it, whatever, as a rule.

Q. And they are not good handy men with the axe and the adze that workmen use? A. I should not think so.

Q. Do you have many English labouring men here, I do not mean men of Anglo-Saxon extraction, but pure English immigrants working for the Board? A. Very very few.

Q. Did you ever order anybody to get all the Englishmen from England as much as possible for your work? A. Would you mind repeating that question, sir.

Q. Did you ever give an order to anybody in the service of the Board that they were to keep all the Englishmen from England that they could, engaged on the work? A. No, sir.

Q. Have you ever given any orders of that kind? A. That is absolutely absurd.

Q. Is it the sort of thing you would be likely to do or that you would like to do? A. No, sir.

Q. I suppose you have no special fondness for these fellows, south of the Tweed?  
A. Not particularly, the best man that I can get for the work is the man I want.

Q. Did you ever order anybody to dismiss all the French Canadians? A. No, sir, that would mean stopping the work.

Q. Now, did you ever give any directions to anybody to get clear of French Canadians, as French Canadians? A. Never.

Q. Did you give an order of that kind to Mr. Beaudry to dismiss all the French Canadian carpenters that he had? A. Never.

Q. Did you ever make any complaint to him about French Canadian carpenters, as French Canadians? A. No.

Q. Or about any of his carpenters? A. Except in the ordinary way. I have no recollection of ever complaining to Beaudry about the character of his men, because he is a very good man himself and if he or any of the foremen have any complaint against any of their men they themselves are responsible to me for dismissing the men. I leave that to the leading foreman; I do not personally dismiss any of the men.

Q. Who is the leading foreman? A. Mr. Beaudry; he is the foreman carpenter.

Q. What does Mr. Beaudry get per day? A. I think it is \$3.50 or it may be \$3.70.

Q. Do you know a Mr. Jackson? A. Yes, he is foreman mason.

Q. Do you know what he gets? A. I do not know but I should say it would be somewhere about \$4.00 or \$4.50 a day during the construction season.

Q. Why should he get more pay than Mr. Beaudry? A. Because he is a stone-mason.

Q. Then masons get higher wages than carpenters? A. Oh, yes.

Q. Would you say that Mr. Beaudry is fairly paid for his work according to the scale of wages? A. Yes.

Q. What do the ordinary carpenters get? A. Thirty cents an hour.

Q. How many hours a day? A. Ten hours.

Q. He would be getting only fifty cents a day more than the ordinary carpenter in his employ? A. Yes, but Beaudry was kept on during the winter time and was employed during the whole of the winter while the other carpenters are not, and regarding Jackson, the stone-mason, he was also kept on during the winter but at a very much reduced pay. I do not remember exactly what it was but it was either \$2.25 or \$2.50 a day.

Q. While Mr. Beaudry's full pay was continued? A. To the best of my knowledge, yes. So far as I remember Jackson was getting \$2.50 a day throughout the winter.

*By Mr. Ducharme:*

Q. As a rule is Beaudry kept busy during the winter? A. This is the first winter he has been kept on, I only engaged him last winter.

Q. As a rule, is your foreman carpenter kept the whole winter? A. No.

Q. Have you work for all winter? A. We kept him last winter and the winter before also.

*By the Chairman:*

Q. Your foreman carpenter was kept at work all winter; would the full carpenter force be kept at work during the winter? A. No sir, only a few men.

Q. And compared with the ordinary working men, although Mr. Beaudry only gets fifty cents a day more than they get in the active season, he has the advantage of being constantly employed, while the others are off from time to time? A. Yes, sir.

Q. Do you propose to be here all this summer in active charge of your work?  
A. Yes, sir.

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Q. You are not designing to go away at any time during this summer? A. No, sir. My engagement with the Commissioners ended last Christmas. I was engaged for three years and my time expired then. I made arrangements with the Board for continuing in their service, and it was arranged at that time that I was to be allowed to go out to the West.

Q. Did you go to the West for private purposes? A. I went at the request of the government at Ottawa.

Q. Did you go to look at the terminal arrangements out there and to advise on them? A. I made a report on Vancouver harbour.

Q. Did your salary with the Board continue? A. Yes, that was part of the arrangement that I entered into for remaining in the service.

*By Mr. Ducharme:*

Q. Were you also paid by the government? A. I was paid a small fee for the report.

*By the Chairman:*

Q. How many dredges were there at the dry dock last year? A. They were changed about a good deal and we sometimes had two Harbour Commissioner's dredges, one from the Public Works Department, sometimes one and sometimes two, and sometimes three.

Q. How many from the Harbour Commission? A. Two.

Q. They were both steam dredges? A. Yes, sir.

Q. Who would be in charge of these dredges? A. Mr. Yale, the mechanical superintendent.

Q. He is a French Canadian? A. Yes.

Q. The chairman of the Board spoke of him very highly to me yesterday? A. He is a very good man.

Q. That is your opinion of him from observation of his work? A. There is no question about that.

Q. When you say he is in charge of the dredges, he has his shop on one of the piers, has he not? A. Yes.

Q. He would not be directly down at the dry dock watching the work? A. Not there continuously, he would pay visits there.

Q. And the man in charge would be his superintendent? A. Yes, sir.

Q. Would each dredge be in charge of some particular person? A. Yes, sir.

Q. Do you know of any complaints as to the way in which these dredges were operated at the dry dock? A. No, sir.

Q. Was there any complaint ever made to you by Mr. Yale, for instance? A. No.

Q. You never heard of any complaint? A. I looked to Mr. Yale to keep them going, and if he had any complaint to make naturally he would deal with it himself.

Q. Mr. Cardinal is the foreman of the labourers; what kind of labourers? A. He is the track-laying foreman and a permanent way man.

Q. He would be laying the track past the dry dock last year? A. Yes.

Q. Would he have anything to do with the dredging in the dry dock? A. Nothing whatever.

Q. I have a statement here to the effect that Mr. Cardinal was obliged to show a certain Englishman how to work the steam dredge, do you know anything about that? A. I do not know anything about that.

Q. Do you know anything about a steam dredge that turned over? A. No; there was a crane that turned over.

Q. Was there a steam crane that turned over? A. Yes.

Q. What was the cause of that do you remember? A. The track subsided. It was on a clay bed and the track slipped out and the crane toppled over.

Q. Would the man in charge of the crane be responsible for that in any way?

A. No.

Q. Do you know whether it was at the time it went over in charge of an Englishman? A. It was.

Q. Do you remember his name? A. Tom Cannock.

Q. Had he been some time in charge of that crane before the accident happened?

A. Yes.

Q. And in the employ of the Board also? A. Yes.

Q. Was he in the employ of the Board for some time before that? A. Yes, since ever they got a crane.

Q. When was that? A. Speaking from memory, it was about three years ago, about two and a half years or three years ago.

Q. Then he would be two and a half years or three years in charge of the crane before the accident happened? A. Yes.

Q. Was he employed by your direction in the first place? A. He was engaged by Mr. Yale.

Q. And not at your request or direction? A. No, I sent this man, as I send all the men who apply for mechanical posts, I send them all to Mr. Yale.

Q. And beyond the fact that you sent him like anybody else to Mr. Yale, you had nothing to do with his employment? A. No, Mr. Yale is responsible for all the crane drivers.

Q. And Mr. Cardinal would not be in charge of him while he was working? A. Mr. Cardinal had nothing to do with the actual cranes. Cardinal has only to do with the work of laying the track for the crane.

Q. And for that slipping of the track, if there was anybody responsible, it would be Mr. Cardinal? A. There was no one responsible or to blame for it. It was an accident. I was there on the spot myself within a quarter of an hour after that.

Q. And for the condition of the track Mr. Cardinal is the responsible man? A. Yes.

Q. But you say, as a matter of fact, that it was one of those inevitable accidents? A. Yes, the bank slipped on the clay foundation.

Q. And neither Mr. Cardinal nor Mr. Yale nor the foreman was to blame? A. I have no cause to complain of any of them.

Q. And you were there within fifteen minutes after the accident and you investigated the circumstances? A. Yes, sir.

Q. Do these dredges have to be cleaned from time to time? A. Yes, sir.

Q. When is that done? A. The boilers are washed out on Sunday and they are cleaned when they get time. They were working day and night continuously Sabbath and Saturdays, and they had to be cleaned just whenever they could catch time during the week. They washed out on Sundays as a rule.

Q. They would be working every week day and it would not be possible to wash them out or clean them out or blow out the boiler, and necessarily you say that would be done on Sunday? A. It is invariably the custom to wash out the boilers on Sunday.

Q. Was a culvert put in at Molson's creek? A. Yes, sir.

Q. It is split across the middle? A. Yes, there is a small crack.

Q. Lengthwise or crosswise? A. Crosswise.

Q. Right across the middle? A. Not right through, only in the roof.

Q. To what do you ascribe that? A. Settlement of the foundations.

Q. And not to the quality of the cement? A. That had nothing whatever to do with it.

Q. What was done with it afterwards, was there anything done? A. It was pointed up.

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Q. The foundation was a pile foundation, was it? A. No, sir.

Q. Were any piles driven at all? A. Yes, along the front.

Q. But not for the superstructure to rest on at all? A. No, merely as a cut-off. It is on sand foundation and I drove a row of piles along the front to prevent the sand foundation from being washed out below.

Q. Then the settling would be due to the settling of the sand foundation? A. Yes, very slight; it was a mere trifle altogether.

Q. Has it ceased? A. Yes, sir.

Q. Has it altered the solidity of the work to any extent? A. Not at all.

Q. It makes no difference whatever? A. None whatever.

Q. Would Mr. Britzski be responsible for that in any way? A. No, sir.

Q. The Canadian Northern Railway crosses Molson's creek? A. Yes, sir.

Q. Was there any trouble about the levelling there. I have information that it was levelled up at considerable cost, and then all that had to be undone again; do you know anything about that? A. No, there was a lot of very intricate work done there and unless one knew all the circumstances they would not know what we were doing at all.

Q. Will you explain to us what that was in the shortest possible way? A. There was a low level track crossing over Notre Dame street on the level, belonging to the Canadian Northern Railway. They had very heavy traffic going on continuously on that track and we had to put an embankment up so that their track could be made a high level track at the same time keeping the low level track going.

Q. Why had the Harbour Board to put an embankment up; was the Canadian Northern running on to the pier there? A. Yes.

Q. Then, the Harbour Board had to put an embankment on its own property? A. We were raising all that embankment right over in connection with the dry dock work.

Q. Your line projects over Molson's creek and you had to build the embankment there? A. Yes.

Q. Does the Canadian Northern Railway come down at right angles and join you? A. They come around a pretty good curve.

Q. And run into your track? A. Yes.

Q. And the levelling up there took a considerable time, I suppose? A. No, it was done very quickly.

Q. Did it occupy three months? A. I am speaking from memory, but I think it took a week or ten days.

Q. And after that was done, was any portion of the work undone? A. No.

Q. I have a statement here that after they had levelled it, occupying nearly three months, they had to undo all the work and put it as it was before? A. Absolute nonsense. It was a low level track before, and it is now a high level track, and the work was done and the change made I think in a few hours. The actual traffic was suspended for a few hours. The work was done there by agreement with the Canadian Northern Railway engineers as to the method in which it could be done.

Q. Was the filling done by a steam dredge? A. Not by a steam dredge; it was done by a steam crane.

Q. I have a statement here that it was done by dredge No. 1; I suppose that should be crane No. 1? A. Yes, crane No. 1.

Q. My informant says they should have used the steam crane No. 1 more than they did to fill in this place, was it filled in in any other way? A. Not to my recollection.

Q. The steam crane was used altogether for that? A. It was not anywhere else. The parties who give that information may have got confused between the Canadian Northern Railway workmen and our workmen, because the Canadian Northern men



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were working there for quite three months. It was a standing joke with us that they were never going to finish their job, and unless your informant was conversant with all the different foremen and knew whether they were our foremen or the Canadian Northern foremen, I do not know how he would understand what was going on. Probably he confused our workmen with the workmen of the Canadian Northern.

Q. The Canadian Northern men were working there to bring up their track on a level with yours, and to enable them to join with yours? A. Yes, and building bridge abutments and timber trestle work; they had quite a lot of work to do there.

Q. And they were there for a long period? A. For three or four months.

Q. And you think the information I have received here probably applies to that work? A. I should imagine so. I know I was congratulated upon the rapidity with which our work was done. I was congratulated by the Canadian Northern general manager and Mr. Cowie, whom I met down there, when I was conducting operations.

*By Mr. Ducharme:*

Q. Why have the cribs to be floated down in advance before the receiving bed was ready for them? A. So as to get them out of the way up here. We can anchor them down there out of the way and there is considerable congestion in the upper harbour so we move them down. I have only one building platform for the whole of the cribs, and so I launch them just as rapidly as possible and get them out of the way up here.

Witness retired.

The Commission adjourned.

MONTREAL, May 28, 1912.

PRESENT:

Honourable A. B. MORINE,  
*Chairman,*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

GEORGE WASHINGTON STEPHENS, chairman of the Montreal Board of Harbour Commissioners recalled:

*Examined by the Chairman:*

Q. You have some work done by a man named Charles Thackeray? A. Yes.

Q. What was this in relation to? A. The building of a suitable office for our grain and traffic department.

Q. That was built on section 15 of the wharf? A. Yes, just adjoining Elevator No. 1.

Q. I see on the tender it mentions section 15? A. Yes, I suppose so.

Q. New tenders were called for for that construction? A. Yes, for that building.

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Q. And eight tenders, I understand, were submitted? A. Yes, and received.

Q. Well, the lowest tender was that of Charles Thackeray at \$23,720? A. Yes.

Q. And the next lowest to him was \$20,330 or \$5,110 more? A. Quite so.

Q. So the figures ranged upwards until \$38,000 and some odd dollars was the highest? A. Yes, that was the highest.

Q. And the lowest tender, that is Thackeray, was accepted? A. Yes, it was accepted.

Q. And you entered into a contract? A. Yes, entered into a contract.

Q. That would be some time towards the end of 1910? I see the tenders are dated August 30, 1910? A. Quite so.

Q. Well, will you just tell us in your own way what happened, that is, in the first place, who is Charles Thackeray? A. He has been a contractor in Montreal for a considerable number of years. He was the contractor for the Royal Bank on St. James street, for the Queen's hotel, and quite a number of important contracts in the city, and was deemed to be quite competent to carry out this small job, which the Commissioners had requested tenders upon. Shortly after his tender was accepted Thackeray failed and the Commissioners had the option of selecting the next lowest tender, at an enhanced tender price of \$5,110, or attempting to carry the work out under Mr. Thackeray's supervision themselves, in the hopes that the ultimate price of the work would not reach as high as the second lowest tender. This was done.

Q. Has the work been completed? A. The work is now completed.

Q. Finally? A. Yes.

Q. Taken off the hands of the contractor? A. Yes, taken off the hands of the contractor.

Q. What has the total been? A. The total cost of the work is shown in the memorandum of the original contract and the accessories, making a total of \$27,516, or slightly under the next lowest tender.

Q. About \$1,300 under? A. Yes.

Q. But in addition, Mr. Stephens, to that \$1,300 mustn't some allowance be made for items which are included in that total which were not in Thackeray's tender? A. All the items below the tender price in his memorandum are accessories and extras over and above what was tendered for.

Q. Then why have you allowed \_\_\_\_\_, was it part of the agreement with Thackeray if he got under the contract price he would be allowed the full contract price? A. I think not.

Q. Then I notice in this memorandum you have put in the contract at \$23,720 just as if it had really cost that? A. Well, you will note, Mr. Chairman, that the items of the memorandum here show what the money included in the different items has been expended for, and some of these items were for changes which were found necessary during the course of the construction and were not contemplated when the original tenders were figured on.

Q. It has not been the practice to charge your revenue with anything whatever for depreciation? A. No.

Q. If buildings have been renewed or plant of any kind renewed that has to be done out of capital account, I presume? A. As far as repairs are concerned, that is all done out of revenue.

Q. Casual repairs? A. Yes.

Q. The port is too young, I suppose yet, to have any of its property falling into old age? A. Well, all the old wooden wharfs have reached maturity now, and little by little will have to be repaired and practically renewed.

Q. You, of course, appreciate the difference between repairs and renewals? A. Quite so.

Q. And when I speak of depreciation, I am only speaking of that which requires renewals or rebuilding—these old wharfs were originally charged to capital account, I suppose? A. Oh, I think so.

Q. And when they have been renewed or when they have been partly taken down and something substituted for them that has also been charged to capital? A. Oh, quite so, every capital expenditure of course must be made with the authority of the Minister of Marine, and the plans for that expenditure and the nature of it must be shown and approved before the money can be spent.

Q. But where the Minister of Marine is informed that the Board intends to expend a certain amount of money in building a wharf, and he assents to it, that does dispose of the question, I am now dealing with a case where that wharf may be replacing another wharf which was charged to capital account? A. No.

Q. Consequently, the capital account is carrying two charges? A. Quite so.

Q. And assuming that the new structure is worth only what it cost, the old structure has gone into the discard altogether, but still remains charged in capital account? A. Quite so.

Q. And consequently—there is frequently provided outside of wear and tear what is known as a renewal account and there is nothing of that kind in your Harbour Board? A. No, we have nothing of that kind.

Q. Well, the result would be in the course of years that your capital account would represent considerable expenditure for works that had really passed away? A. That is so.

Q. Then, of course, the interest on your capital account is being paid for out of your current revenue? A. Quite so.

Q. Don't you think that it would be fair that the trade of the Board should carry at least some charge—it might be small—with regard to the permanence of your structure, but still some charge that would provide you with a fund for renewals? A. I most certainly do.

Q. I will tell you the danger I see looming ahead—people compare your annual statements of expenditure and revenue on current account, and if your Board does well they see a surplus apparent on the face of the account and then there is a clamour for a reduction of charges on the trade. No allowance is naturally made by the public which you are not making in your own accounts for renewals, or what they technically call obsolescence. It appears to me it would be good bookkeeping and sound finance if from this time forth you would make a small charge against your revenue for the creation of a renewal fund—how does that strike you? A. From time to time the Commissioners have felt just as you do about that same question, but years ago the Commission was shorn of a great source of revenue by the abolition of all tonnage dues on the ships. At the moment our entire sources of revenue come from wharfage charges that are made on the goods going out and coming in, and on the rental revenue which we get from berths, spaces, and allothents, with me addition of a small increment we earn through our traffic department. The idea of establishing a sinking fund, whereby at the end of a term of years the great part of the capital expenditure now paid would be returned or compensated for, has the sympathy of the Commissioners, but the difficulty has been that our interest charges and our administrative charges have taken almost all the available revenue that we have had and, in consequence of this, we have had little opportunity as yet to establish a renewal fund, which is, as you have said, very desirable, or a sinking fund on a more or less large scale, which, in my humble opinion, would be a sound piece of finance.

Q. I want to draw a distinction in a very marked way between a sinking fund and a renewal fund, because while a sinking fund is considered by financiers a good name when applied to bonds and debentures of all kinds, because it so increases the selling value of these bonds and debentures in the market, in your case, as your bonds are all floated on the credit of the Dominion government, probably the sinking would not be very important as it would not materially affect the value of those bonds which you issue, and in any case that might be left with the government to consider in relation to their general financial consideration? A. Quite so.

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Q. And there is furthermore to be said with reference to a sinking fund for your bonds, that where your bonds are issued strictly for capital expenditure that are new, and for additional works, it can always be contended that the actual cost of new works only is represented in capital account, and a sinking fund need not be provided, because there are always assets there to justify a renewal of the bonds when they fall due, by another issue of the same amount, but with regard to a fund for renewals and works which have become obsolete or that from old age have passed the period of life, if these keep creeping into the capital account, after a while it can no longer be said that the capital account represents actual works and then harm might be done. Now, it appears to me, therefore, that a very small annual percentage ought to be charged against revenue, to create a fund for the renewal of those works. Your works are very permanent and a very small amount would be required? A. I think that is a splendid suggestion to consider a renewal fund absolutely apart from the sinking fund idea, and to set aside year after year a small sum to be devoted for a specific duty of renewing parts of the capital expenditure that have become obsolete and require renewal.

The CHAIRMAN.—That is exactly what I suggest.

*By Mr. Lake:*

Q. Have you any portion of your revenue year after year which you are now actually expending on capital expenditure? A. Yes, we bought a property out of revenue a year ago.

Q. I asked you that because it struck me that if you had any surplus in that way it might be well devoted to what Mr. Morine has suggested, without your having to show you are not making expenses beyond your revenue? A. Quite so.

*By the Chairman:*

Q. I will tell you what I want to see done and that is this: agitators deprived of any fair ground for attempting the reduction of your dues on business passing over your water front, by indicating from time to time that there is a surplus when in reality there would be no surplus if obsolescence were being provided for by a proper charge? A. Quite so, I think that is one of the most important administrative reforms that we might adopt or carry out.

Q. Of course, to get at the basic principle of a port like this is extremely difficult. The ship channel is looked out for by the government directly upon the ground, I presume, that the navigation of the St. Lawrence is a national matter. Then when it comes to the improvement of this particular harbour of Montreal, the Dominion Government advances the money to the Board, receiving in return debentures of the Board upon which only interest is paid? A. Yes, that is it exactly.

Q. Consequently, all that you really receive from the treasury is the loan of a certain sum of money on which you are expected to, and do, pay interest? A. Quite so.

Q. At the rate of three and a half per cent? A. Yes.

Q. Well, in order to meet that interest charge, and the current expenses, your revenue is raised by wharfage dues on incoming and outgoing freight? A. Quite so.

Q. Foreign, maritime and local? A. Yes.

Q. And consequently, the annual expenses and interest charge upon the improved port of Montreal is levied upon the freight passing through Montreal? A. Quite so.

Q. And borne by the whole country? A. Yes.

Q. In the cost of its articles? A. Quite so.

Q. That is in the cost of the goods consumed and the expenses attached to exports? A. Quite so.

Q. Then if you were to provide a renewal fund by charging your revenue with an annual percentage for that purpose, the percentage would come out of the collections on the trade at the port of Montreal? A. Quite so.

Q. And consequently out of the trade of the whole country? A. Yes.

Q. It would not be a local charge against the city of Montreal? A. Not at all.

Q. But against the whole trade that Montreal carries on, and that is as wide as the Dominion itself? A. Quite so.

Q. Wharfage dues are collected in the first place by the Customs Department?

A. The Harbour Commission has an office in the Customs building.

Q. And you have clerks there? A. Yes.

Q. But the actual collection is done by the Customs? A. Yes, the wharfage tickets are presented to the Harbour Office at the Customs House for verification, and the rest of the operation goes through the Customs.

Q. That is the point I wanted to get at, I notice that gratuities are given by your Board at Christmas time every year to the Customs employees who collect the revenue? A. Yes.

Q. Now, what authority is there for these gratuities? A. None, except that the practice has been in force for many years of doing that, and the consent of the present Commissioners as to the advisability of continuing that.

Q. Apparently it is the duty of those Customs officers to do this work? A. I think that is correct, I do not think there is any obligation.

Q. I don't see then why any gratuities should be paid or be permitted to be paid under the government regulations.

*By Mr. Ducharme:*

Q. Is it the duty of these Customs officers to do that? A. It is; a good deal of work is put on these men by reason of the business of the harbour. These men employed by the Customs Department, I understand, are not exclusively giving all their time to the business of the harbour, they do whatever business in their own department comes to them, and when the present Commissioners took office they found in existence a practice of at Christmas time giving to these clerks gratuities and they continued it.

*By the Chairman:*

Q. Is it a certain class of clerks who are there or all the clerks that are there? A. No, I think it is only one or two who get it.

Q. Men occupying certain offices? A. Yes.

Q. And if the individual changes and someone else occupies that office he would receive the gratuity at the end of the year? A. Yes, just the same.

Q. So it merely happens that certain officials there, are collecting these moneys for you, whoever happens to occupy that position there? A. Quite so. The collector of the port about Christmas time reminds the Board that it has been the custom to give certain gratuities and asks if the Board is disposed to continue the practice, which the Board does.

Q. In connection with the purchasing methods of your department, what limit is there drawn between things that shall be purchased by the purchasing agent and otherwise? Let me explain what I mean—you purchase either by tender or through the purchasing agent—all small purchases are made directly by the purchasing agent and he buys either by catalogue prices or by letter which he writes himself—now what I want to know is what is the distinction made, if there is one, between goods which are purchased by advertisement of the board itself and those goods which are purchased by the purchasing agent? A. Well, everything purchased that is not tendered for is purchased by individual order number and issued by the purchasing department and presented with a description of the goods and the prices and the total amount that the order comes to.

Q. And submitted to the Commissioners? A. Yes.

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Q. But the question I asked was how was it decided in the first place which shall be purchased by tender and which shall be purchased by the purchasing agent?  
A. Well, all the routine requirements, all suitable articles that are needed, are purchasable by printed catalogues subject to discounts that are printed, that is one category where the purchasing agent buys without asking for tenders specifically. The amount of each order of course is checked by the chief of the department through whom the order is initialled, and then comes to the Commissioners who again check the amount. If the amount in any case is too much, the Commissioners as a rule will investigate it and if it is found in any way irregular tenders for that particular thing will be asked for.

Q. But what I want to get at is this: presuming there is a requisition in the regular form properly certified, who is it that says now the purchasing agent should look out for this or who will advertise for tenders? A. The Commissioners.

Q. Do they say that before it goes to the purchasing agent? With every requisition? A. No.

Q. It is not the Commissioners then who decide in the first place? A. Not in the first place, no.

Q. Well, that is what I am asking about, not what you do afterwards but in the regular course a requisition is sent in from any source at all, I don't care where, and say that a requisition is in the proper shape, now who is it that says: Well I will have tenders asked for this, or I will ask the purchasing agent to look out for it? A. Well, each department that wants to buy anything submits its requisition to the purchasing agent.

Q. Now, is that absolutely certain? A. Not for big machinery or big contracts or anything of that kind, but on the routine things when anything is wanted in the ordinary course of business.

Q. Whether it is in a large or small quantity? A. Yes.

Q. Whether you intend to advertise for tenders or buy in any other way, it all goes before the purchasing agent? A. Yes, there might be exceptions to that in rare cases, but that is the system.

Q. Well, what I want to get is this. Of course, if a new purchase is made, such as the purchase of some new cranes or rolling stock or any very large expenditure of course the engineer will report it to the Board and the Board will deal with that. I am speaking of that, but the routine requirements, whether large or small, that get into the form of requisitions, all come to be dealt with—you say now all go before the purchasing agent in the first place, or don't they come to the secretary and doesn't he send them to the purchasing agent? A. I see what you mean, Mr. Chairman, there might be occasions where the Board would discuss the purchase of things and request the secretary to ask the purchasing agent to get prices and information about it.

Q. I am not dealing with that at all, but I am dealing with routine—is the purchasing agent in the place? A. Yes, he is right here.

Q. Will you please ask him to come in? A. Yes.

Witness retired.

ALPHONSE ARCHAMBAULT, of the City and District of Montreal, purchasing agent for the Harbour Commissioners, aged thirty-eight years, sworn:

*By the Chairman:*

Q. How long have you been purchasing agent, Mr. Archambault? A. Since about May, 1907.

Q. And prior to that were you in the service? A. I was assistant secretary.

Q. Now when articles of any kind are requisitioned for, in the course of your business, where does the requisition go to in the first place before it comes to you?— I find when a foreman or anything of that sort wants anything on the job, the requisition finally gets into the engineer's department, doesn't it? A. It depends, everything depending on the engineering department goes to the chief engineer to be initialled before I have anything to do with it, I won't take it unless it is initialled either by the chief assistant or by the assistant, if the chief is away.

Q. Now then, what other things are there that do not depend on the engineering department? A. The traffic department, the requisition is signed in every case by the head of the department for which it is intended.

Q. And there are several departments? A. Yes, mostly all engineers excepting the traffic and secretary's department.

Q. Those are three departments? A. Yes.

Q. And are there any others? A. Those are all, all the other items come under the engineer's department with the exception of the secretary's and the traffic department.

Q. Well now, when the engineer's department makes a requisition, do all requisitions come to you? A. All requisitions that are made come to me or should come to me, I suppose they do.

Q. Now we will take, for instance, articles that are advertised for and in that case? A. There is no requisition made in that case.

Q. No requisition made? A. I don't think so, we do not need a requisition then if they are bought by tender.

Q. But even in the case of a thing called for by tender there must be a requisition, mustn't there? A. Well, it doesn't come to me anyway.

Q. That is what I am trying to get at? A. I don't expect there is a requisition made for things called by the press, you see. Anything in large quantities that is called for by public tender or advertised by the press, can be dealt with only by the Commissioners, and the secretary gives reasons for those, and there are contracts made, and any consent made by the Commissioners must be made through their official who has a right to make contracts and that is the secretary treasurer.

Q. Give me the names of a class of articles that are being used in the engineering department in a large way all the time? A. Well, cement.

Q. Yes, take cement? A. Timber.

Q. Yes, timber? A. And stone.

Q. Well, take these three articles. If a quantity of cement is needed for the construction of a pier down here would that come before you? A. Well, I don't suppose so, no, because it is a yearly contract. I understand, of course, you are asking the question about things that are not bought by requisition by me, things that come by requisition I deal with.

Q. But I am trying to get behind that—who sends requisitions to you that you receive? A. The head of the department.

Q. The requisitions are sent to you by the heads of the respective departments? A. Yes.

Q. Then the engineer's requisitions which you receive do not come to you through the secretary? A. No, sir.

Q. Well, now then, if the engineer has need of a quantity of cement, how does he decide whether to send a requisition to you for it or to send a requisition to the secretary for it, so that the secretary shall advertise? A. I know nothing whatever about that.

Q. All tenders are advertised for by the secretary are they not? A. Yes, sir, well I understand it is to be done that way.

Q. Then the fact that the engineer wants a certain quantity of cement must be made known to the secretary in some way, mustn't it? A. I cannot answer that.

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Q. Of course that follows as the night follows the day, doesn't it? A. It is a little beyond my part.

Q. What I want to know is can you tell me how the distinction is reached in the mind of any one as to what shall be sent down to you to be dealt with and what shall be sent to be dealt with by the secretary? A. No, I don't know.

Q. You don't know how that distinction is reached? A. No, sir, I don't know.

Q. Can you tell me what limit is placed on the value of things which you should be allowed to buy? You understand what I mean is this, do they say that nothing over \$100 or over \$500 or any given amount shall be bought through you, or is there no limit? A. No, there is no limit, there is only a limit as to the amount of an order. You see I might be allowed to go in a case of emergency, sometimes we are caught on a Saturday afternoon when we cannot get the requisition signed by the Commissioners, I believe that is about the only limit I have, about \$50.

Q. You don't know yourself upon what principle certain things are sent to you to be dealt with and other things are sent to be dealt with by the secretary treasurer or in some other way, you don't know? A. No, it is absolutely out of my duty.

Q. All you know is when you get a requisition you act on it? A. Yes, get prices, and so on.

*By Mr. Ducharme:*

Q. When you get a requisition do you attend to it? A. Immediately.

Q. You do not go to see whether that requisition is bona fide? A. No, I know the signature.

Q. You do not go to see if the man who signs it is authorized to sign it? A. No, the moment it is signed by the head of the department it is my duty to attend to it. I do so and submit the requisition after I have put the prices on. I get prices, sometimes by telephone and sometimes—well it depends on how much in a hurry the thing is, sometimes I get a requisition from the head of the department and perhaps it is absolutely correct and I have no corrections to ask, and I submit it to the Commissioners which is a second check.

Q. Supposing the engineers should send a requisition for some cement? A. I wouldn't touch it.

Q. You wouldn't touch it? A. No.

Q. It would be signed? A. If a requisition would be sent to me by the chief engineer for anything I know is contracted for, that is that the goods are contracted for, of course I do not touch it in that case. Sometimes I get a requisition from the department for some materials that I know are under contract, sometimes for broken stone or something of that kind, and in that case I naturally get it from our stock.

*By the Chairman:*

Q. That is if there is an existing contract? A. Yes, I know generally.

Q. But that is not what Mr. Ducharme meant, I think—suppose the chief engineer asks to buy a quantity of cement, and there does not happen to be any contract at the time, would you proceed and buy it? A. The same thing as in any other requisition. I would get prices from the market.

*By Mr. Ducharme:*

Q. How would you know that? A. I generally know the contracts in force.

Q. Is there any cement bought outside of your knowledge? A. No, there is nobody but me. As a matter of fact I know there is a contract but I do not know whether it is 100 or 1,000 bags received, I don't know.

Q. How do you know if you get a requisition to buy cement—how would you know if you had any of it? A. I would take good care to inquire.



Q. But I am talking about the system? A. Anything I am in doubt of I would go to the secretary and inquire if there is a contract for these goods and it might happen that he has a contract and we would not like to go beyond that. I would find out the prices and see if I can do better, and if I could do better I would say: well, here is your contract.

Q. Do you know all the goods that are bought by contract? A. Well, I think so, pretty well, I think.

Q. Do you know it at all times? A. Yes, pretty well.

Q. If the Commissioners gave an order to the secretary to ask for tenders, are you made aware of it? A. No, in that case I would not.

Q. Then you wouldn't know? A. No, but I mean to say I know pretty well what we have existing contracts for.

Q. By routine? A. No, because I know—well, I follow the advertisements for contracts and I know pretty well what is called for.

*By the Chairman:*

Q. Now, you purchase either by catalogue prices or by telephone inquiries, and sometimes you ask for tenders by letter? A. Yes, sir.

Q. Have you any line as to the amount upon which you choose the different courses, or do you just do in each case as you think best? A. No, if I have enough time, it is only current prices, we are generally in a hurry to get them and if I have enough time I always get prices in writing, but if it is in a great hurry, in that case I telephone to get prices from the trade, and then there are other goods that are standard goods, and I know the market prices and discounts—they come to me every time there is a change of discount, for it is understood that I am on the jobbers' list, and I get these discounts. In that case I don't need to telephone for I know exactly what it will cost.

Q. You get the requisitions for certain goods? A. Yes.

Q. You decide that you shall buy for a certain price on a catalogue price? A. Yes.

Q. Or you call up and ask for a price by telephone? A. Yes.

Q. Or you decide that there is time to ask for prices by letter? A. Yes.

Q. That is all in your own discretion whether you shall do it or not? A. Yes, I have to use my own judgment.

Q. Well, is your judgment in these matters ever actually considered, gone over systematically by anybody else? A. Well, I suppose so, I suppose the Commissioners—I never issue a requisition without it being submitted to the Commissioners with the prices and all.

Q. Do you send up the list during the week or at some specified time of what you have to date or how do you submit it? A. I do not keep any accountant at all, it is all done in the accounting department.

Q. But how do you send up your reports so that they come before the Commissioners? A. I submit my requisitions every day.

Q. Every day? A. Yes, every day.

Q. That is you send them in every day? A. Every day at noon my requisitions are ready, everything that comes in in the afternoon we hold it over until the next day.

Q. When you say your requisitions are ready do you mean to say before you send your order out it goes up to be initialled by the Commissioners? A. Oh, yes, in every case.

Q. You have no power of buying yourself? A. No, except in the case of emergency, but even on that I have to submit a requisition anyway.

Q. That is you have to submit the requisition afterwards? A. Yes.

Witness retired.

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GEORGE WASHINGTON STEPHENS (re-called):

*Examined by the Chairman:*

Q. You affirm the statement that except in cases of emergency all purchases through the purchasing agent are authorized by the Board? A. By a Commissioner or all the Commissioners.

Q. When would a Commissioner do it? A. Daily, in my own case.

Q. Being chairman? A. Yes, being chairman.

Q. Then, in cases where you have individually authorized a purchase, does that subsequently come before the Board? A. Subsequently these requisitions are passed in review by my colleagues.

Q. And made a minute of? A. No, there is no minute made, and anything I am in doubt about myself I set aside for their approval.

Q. Is there any record kept to prove that that is the case—suppose some time afterwards your brother Commissioners say that they have not seen that, what would there be to indicate that they had? A. Nothing but the initials on a requisition of the Commissioners that initial it. As a rule at twelve o'clock these requisitions pass in review by the Commissioners and one of the Board signs them.

Q. Besides the man who authorized it? A. They come to the Commission from the purchasing agent, signed by the head of the department from which they come to the Commissioners for their approval, and the Commissioners initial that, not all the Commissioners, but the initials of one Commissioner are on every order issued and the approval of the order is generally speaking the approval of the Board, that is, all three members see the requisition.

Q. But what I want to get at is this—a requisition which has been authorized by one of the Commissioners has his initials upon it to show that he has authorized it, but what is there to show afterwards that the other Commissioners have really passed that requisition? A. Nothing but their acknowledgment that such is the case.

Q. There is nothing on the face of it to show? A. No.

Q. For instance, supposing you or any of the other Commissioners wanted to deceive the other Commissioners, and you put your initials on a thing and allowed it to go through without telling the other Commissioners about it, and subsequently discussion arose over that, there would be nothing on the face of the requisition to show that they approved of it? A. No, nothing.

*By Mr. Ducharme:*

Q. Would it be much work to enter it in a minute book every day? A. It would be a pretty big job.

*By the Chairman:*

Q. Do you mean to say there is not a list kept from day to day and hour to hour of all requisitions? A. Oh, they are all on record.

Q. But shouldn't the initials of the Commissioner who has initialled that, be entered in the record and that record always passed before the Board? A. I think that could be done, I think a requisition bearing the number and date should be kept and the whole submitted regularly to the whole Board.

Q. Don't you think it would be a real protection to some of the Commissioners afterwards? A. Yes, I think it would, I think that is a valuable suggestion.

Q. Is it a safe guide to the Commissioners and a safe guide to the Board? A. Quite so.

Q. With reference to the purchase of material, Messrs. Price, Waterhouse & Co. draw attention to the purchase of timber, and they say its quality is passed upon by Mr. Lunan, the superintendent of the saw mill, and he accepts it altogether, and they suggest it might be a proper safeguard that some independent opinion as to

the quality should always be required. It would seem now under the present arrangement as if Mr. Lunan could do just as he likes on that point, and therefore it would seem to be open to collusion? A. Lunan has been found to be such a severe critic in the acceptance of timber, that the Commissioners have felt that his judgment on timber was about as good as we could get. But I see your point.

Q. The investigators have not suggested, nor do we suggest, the question as a criticism on Mr. Lunan, who may be the very best official in the world, and probably is a good one, but wherever one official in connection with public works, especially where public money is being paid for a thing, has the absolute say, without check, the practice is open to collusion? A. Quite so.

Q. You are depending absolutely upon the honesty of one official? Q. Quite so, I see your point. That can be taken care of in the manner in which you suggest by having an outside person.

Q. Some certificate should be provided that would be a check? A. In ordinary cases we have a contract with the Canadian Inspection Company.

Q. For most of the material, but that does not cover timber? A. No, and if your suggestion is what I think it is, the same system in connection with timber would cover that.

Q. Precisely, and I do not see why they should test all other material and not test the timber, which is one of your principal purchases. While we are upon that point, I would like to ask you concerning this statement by Messrs. Price, Waterhouse & Co.—they say that collections for the rentals of spaces and other amounts and so forth, are made through the secretary treasurer's department, bills being made out as the accounts fall due, but that no entry is made in any account book until the amounts are paid, except that there is a rough memorandum book, in which are recorded certain particulars of the bills as they are sent out, and they suggest that there should be a complete record of rentals kept in a book specially set aside for that purpose? A. That could be done.

Q. Doesn't it strike you as being a very proper suggestion? A. Quite so.

Q. And they say the same remarks should apply to revenue derived from all sources, such as elevators, cranes and things of that sort, so that the record should not be a mere record of cash receipts but should be a record of charges, and when the cash is received that should appear also upon the same record, so that the record will show the condition of the account all the time, otherwise the way the thing is, after a thing has dropped out of sight there would be nothing to show that it had dropped out of sight? A. Quite so.

Q. Real estate—now to what use is the land put that is now on Papineau avenue and was purchased in 1903 from McLaren? A. That is known as the harbour yard, and there are stored quantities of useful stock and material, machinery equipment, and there is a small machine repair shop there in connection with it.

Q. That is outside of the limits of the port? A. Quite so.

Q. Isn't there anything within the limits of the port which could be used for that purpose? A. The property that was purchased a year ago is to be devoted to that and it adjoins the harbour property.

Q. Then what will become of this particular land? A. It will be sold.

Q. I see it cost \$25,230 in 1903? A. Yes.

Q. Ought it to bring more now? A. Yes, it ought to be worth more than that now.

Q. Then you have some land purchased from E. Rafferty? A. That is a property bought to replace the harbour yard and for the accommodation of a locomotive house.

Q. That also is outside of the harbour limits? A. Yes, that is outside.

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*By Mr. Ducharme:*

Q. Whereabouts is that? A. On Notre Dame street—well you know where the Codlin Company is.

Q. Hochelaga? A. Yes, it is just this side of the Codlin Company.

*By the Chairman:*

Q. You paid \$10,000 in cash and assumed a mortgage for \$14,000 bearing six per cent and the balance of the purchase money payable in three years bearing interest at 5 per cent? A. Yes.

Q. Are the mortgages not payable off before maturity? A. I think they are.

Q. Then why pay six per cent instead of paying them off? A. Well, the whole purchase was made out of revenue, and had we had enough revenue we would probably have paid for the whole thing, mortgages and all.

Q. You bought it out of revenue? A. It really should have been bought out of capital, but had we waited until we could have got the permission to use the capital for that we would have lost the opportunity of buying this land.

Q. That would be a good reason for having bought it in that way, but there is no reason you should not put it into capital afterwards? A. Quite so.

Q. But the balance of the purchase money bears interest at five per cent. There is no reason why that should not be put into capital and funded and paid for? A. None whatever.

Q. Has your Board legally power to acquire property outside the limits of the Harbour? A. I believe so.

Q. Have you taken the advice of your counsel on that subject? A. No, not that I know of.

Q. I see that city rates are being paid, city tax rates are being paid on that property? A. Quite so.

Q. Well, you are only a Board acting for the Crown, are you not, you hold the property in trust for the public? A. Yes, and really the title to this property is in His Majesty the King.

Q. Well I always understood that taxes were not leviable against the King. A. I am entirely of that view, sir.

Q. It appears to me you should consider first whether your present act does give you power to hold any property outside of the strict limits of the port of Montreal, and, in the next place, if you have any power, it should be made clear that the title is in the King and therefore the taxes are not collectable, because it seems to me absurd that the Crown should be financing the Harbour of Montreal on the ground that it is a national institution, and when it has a piece of property anywhere in the City of Montreal it should be paying taxes on that property.

*By Mr. Ducharme:*

Q. Was that purchase of property for \$72,000 approved of by the Marine Department? A. Oh, I think so.

Q. Do you know? A. Will you please ask me that question this afternoon and I will give you the answer.

The Commission adjourned.

At 2.30 in the afternoon the commission again met and the examination of Mr. Stephens was continued, as follows:

*Examined by the Chairman:*

Q. You kindly showed us the pay-lists of the employees from the beginning of the month of June to the end of December last year, and I asked you if you would have a comparative statement made up of the totals? A. Yes.

Q. Is that ready? A. It is, sir.

Q. And this document which you now produce is the result? A. That is the result.

Q. I notice that it by columns states the number of men employed in the various departments of your works? A. It does, sir.

Q. For instance, there is a traffic department, which means the moving of freight in your cars, I presume? A. Generally, the handling of the goods by rail.

Q. And this will be what you call railway employees? A. Yes, railway employees.

Q. Then there is a machine shop, a shipyard, does that mean a machine shop in the shipyard under Captain Yale? A. Quite so.

Q. And what class of work generally would these people be engaged in? A. General machinery and ship repairing.

Q. Then they would largely be of the mechanic class? A. Carpenters, mechanics and handy men.

Q. Then there is the grain elevator No. 1, these would be an irregular class of employees about that elevator? A. Yes.

Q. For all grain elevators the same thing would be true of the regular staff? A. Quite so.

Q. And the dredging fleet would mean those men employed on the dredges? A. Ycs, derricks and tugs, &c.

Q. Then the wharfs and shore works, what class of men would those be? A. Labourers.

Q. And what are they doing? A. Construction work, building quay walls, railways and paving, general outside work.

Q. Largely of the labourer class? A. Largely, yes.

Q. Now, this list is prepared by weeks? A. Week by week, yes.

Q. And it also gives a comparison of the number employed under each department each week in the years 1911 and 1910 for a comparison? A. Yes.

Q. So far as the traffic department is concerned, during the whole summer of last year that never operated much more—very slightly over fifty? A. The fluctuations in that department are very slight anyway.

Q. Some fluctuations would be only three or four from week to week? A. Quite so.

Q. And in the month of September, 1911, there does not seem to have been any increase over the previous months? A. Quite so.

Q. Nor any excess work mentioned last year as compared with the same works in the previous year, that is as far as the traffic is concerned? A. Quite so.

Q. Now, with regard to the machine shop shipyard, I notice that all through the year 1911 there was a much larger number of men than in 1910; can you explain that? A. Due to the larger amount of work in hand in that department.

Q. What caused that increase of work? A. The building of a greater number of scows and tugboats, dredges, and possibly a greater repair casualty account.

Q. Now then, one may say upon the average there were three or four times more men used in that department than in the previous year? A. In the earlier part of the season, at any rate, there were three or four times as many in 1911 as there were in 1910; was that an exceptional increase in work not likely to be continued? A. No, I think that might occur any time.

Q. Were you launching out into an increase of your dredging fleet to any extent? A. Well, we had a pretty big programme of construction during the winter which would lead to a larger increase during the earlier part of the year and right through the whole season.

Q. The greatest number of men reached during the last year was in the week ending September 16, when there were 902 men employed in that machine shop shipyard? A. Yes.

Q. For the week ending September 9, it was 822? A. Yes.

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Q. Then it increased eighty at the end of the next week? A. Yes.

Q. And then on the week ending September 23, it dropped to 892, so for that one week, which covered election day, there appears to have been—the number of men employed for the week ending September 23, which covered election day, was really ten smaller than for the previous week? A. That is so, sir.

Q. I observe that in that department the number of men you had employed during the latter part of 1910 was very much greater than during the earlier part of that year, can you explain why that occurred? A. Well, the rush of work towards the end of the season might very well account for that.

Q. There was a rush of work? A. Yes, that is the machine shop, yes, sir.

Q. Then I observe another thing, and that is this, the month of November, the number of persons employed in the machine shop was about the same in the two years, but in 1910 they declined in quite a marked way in December, but in 1911 the numbers appear to have been kept up very well during the end of last December? A. Well, that is accounted for by the fact that the shop work planned for the winter of 1911 was greater in amount than the same work for the winter of 1910.

Q. Well now, we will pass over the staffs of the grain elevators, because they are practically a fixed number all the time? A. Practically yes.

Q. A small number, too? A. Yes.

Q. And then with regard to the dredging fleet, there were more men employed week by week in 1911 and 1912 than in 1910, what caused that? A. Well, the progress at the dry dock increased the amount of dredging that was possible.

Q. And you put more dredges into commission? A. Every available piece of a plant we had in the way of a dredge or derrick was put on that work.

Q. And were you building new dredge material for general harbour work during the early part of 1911? A. I could not be just sure it began in the early part of 1911, that is the shipyard, is it?

Q. That is the dredging fleet? A. That is comparative, entirely.

Q. And the increased number of men is due to the increase in the plant and material? A. Yes.

Q. Anyway, the number of men engaged in that particular function was not increased during the month of September or about election time? A. No.

Q. In fact, you retained larger figures in October and November than previous? A. Yes.

Q. Now in regard to wharf and shore work, let us see how we work out—according to this list there were fewer men at work in 1911 than you had in 1910 under that heading? A. At times that may very possibly be.

Q. Can you account for fewer men in 1911 than you had in 1910? A. Well, there is a good reason for that. The construction of the whole work going on in different parts of the harbour would prevent a large part of the paving or road construction under this department, and therefore fewer men would be required to carry it out.

Q. I find, in adding up the list, that the following number of men appear to have been employed on the dates given.

Week ending September 2.	1,939
Week ending September 9.	1,869
Week ending September 16.	1,976
Week ending September 23.	1,947
Week ending September 30.	1,877

—so that during that month the lowest number of men employed was 1,869 and the highest 1,976, a variation of nearly 107, and for the week ending September 23, which would cover election day, the number employed was 29 less than the highest number and only 79 more than the lowest number during that month. The week ending September 23 the number of persons employed was actually 29 less than at the end of the

previous week. There does not appear to be anything in this tabulation to show that the pressure of election week caused an increase in the number of employees? A. No.

*By Mr. Ducharme:*

Q. I see in the last week of December you reduced your men in the machine shop by 303? A. Well, the shop closes down for Christmas and New Year's, you see.

Q. Were these men all taken back again in January? A. If there is work for them to do they are taken back. Where we have a full shop in the winter time, which is a condition the Commissioners desire to have because it keeps the men together and keeps the thing going, and then when it comes summer you have your organization together without having to organize it again. Of course, as it used to be, when there was nothing to do in the winter the shop-staff had to be reduced.

*By Mr. Lake:*

Q. Have you engaged before this year in the construction of new dredges? A. Yes, the Board has been dredging, the building of a dredge may be this year, that is this year the machine shop will build a new dredge and next year it may do something else.

Q. And have no new dredge on hand? A. Exactly, and have no new dredge on hand, and the damage done through the summer to the plant may fill the whole shop.

Q. With repair work? A. Yes, with repair work.

*By Mr. Ducharme:*

Q. I suppose you have your pay-list? A. Yes, surely.

Q. Will you show me the pay-list of the 30th of December? A. Certainly, I will get it.

Q. I only want the machine ship dredging fleet? A. That is 1911?

Q. Yes, 1911 or if you have them all you might bring them all.

*By the Chairman:*

Q. In your balance sheet you are carrying a claim against the government which is of very ancient date, amounting to \$1,112,890.72, which is the result of a report from the Finance Committee, dated February 24, 1909, which is the difference between amounts which the old Board claimed to have expended on behalf of the government and the amount which the government refunded. On the other side of your balance sheet you are carrying a credit of \$1,094,027.95 made up of a surplus between the years 1851 and 1875 of \$300,000, and out of another surplus commencing in 1878, amount-wiped out with the bookkeeping surplus which is there, and the two accounts quite disappeared, don't you think in view of all that has taken place and in view of the fact that yours is a new Board starting out with a new policy, it would prevent complications to have these accounts closed up? A. I think it would be as well. No good purpose can be served.

Q. It is impossible for your Board to recover such a claim as one million dollars against the government—there are too many statements to be made on one side or another, and in view of the fact that you are carrying pretty nearly the same amount as a surplus, made up of certain alleged reserves, I would suggest it would simply make the whole account appear very much clearer if you would simply wipe the whole thing off? A. I think that suggestion is a good one.

Q. Just clear it out and begin on a new sheet. Now, about that \$1,872,000—how does that arise, will you just briefly explain? I think you did this morning but I want to get it in writing? A. That \$1,872,000 is money that was borrowed from the public by an issue of harbour bonds, covering the amount and paying interest half-yearly at the rate of five per cent. This \$1,872,000 is being reduced periodically as the bonds mature.

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Q. They mature at different dates? A. Yes, at different dates.

Q. They are presumably in the hands of local parties to a large extent? A. Very largely held for investment.

Q. And naturally cannot be paid off, being at a high rate of interest, until they fall due? A. No.

Q. As they fall due is the money obtained for them by a debenture issued to the government? A. Yes, out of the loans accorded the Commission by Act of Parliament the maturing bonds are provided for.

*By the Chairman:*

Q. Who issued these debentures to the public, are they issued by you first of all? A. No, they are of a very long standing, fifteen, twenty-five and thirty years.

(At this point the Chairman Mr. Stephens had a conversation with reference to some suggestions as to organization which were made by the Chairman and which Mr. Stephens said he would take a note of).

*By the Chairman:*

Q. Is the suggestion at page 18 of this printed report from Price, Waterhouse & Co., that as a matter of internal check it is undesirable for the paymaster to be responsible for both the receipt and disbursement of money, more particularly if he does not in his receipts indicate fully where the money comes from? We would suggest that the position of wharfinger be entirely separate from that of paymaster, or, as an alternative, that the wharfinger should make out the slip for the dues, and give this to the person making payment, who could present this, with the cash, to a person from the cashier's department? A. Yes.

*By Mr. Lake:*

Q. I notice, in your first report after you had been appointed, that you made a statement that you intended to get a valuation, a physical valuation, of the property, and that you had employed, I think, the Canadian Inspection Company? A. Yes.

Q. Was that valuation made? A. Yes, that was done, we have it.

Q. You have not published that at all? A. Oh, no, that was for the information of the Commission.

Q. I would rather like to see that? A. Quite so.

Q. Have you had any valuation at all of all the properties? A. It is an appraisal valuation of all the assets. No. We have not had one since then.

Q. Who is it by? A. The Canadian Appraisal Company.

Q. And there has been none since 1907? A. No, none since then.

*By the Chairman:*

Q. Do you remember the question concerning the construction of a warehouse on the Tarte wharf? A. Yes.

Q. I presume that means a shed? A. Yes.

Q. Which is now going on? A. Yes.

Q. When was that work begun? A. That was begun about the summer of last year, I should say from memory.

Q. Do you know who made the plan? A. Maxwell & Co., the architects.

Q. Why did they make it instead of your own staff here? A. Because our engineering staff were so crowded with other work that we could not put them on it and I doubt if we had men specialists enough to do that sort of work

Q. It was a specialized work? A. Quite so.

Q. And as a matter of fact the staff were busy? A. As a matter of fact we were so crowded with work that we hadn't any one to put on anything any more than what we were doing.



Q. Then it would be the chief engineer's recommendation, I presume that some one should be employed? A. Well, the chief engineer is a proud man and he likes to do everything that is of an engineering nature within the harbour limits, and I think his personal policy would be not to give any work out, but there are times when we must, in order to get ahead.

Q. Then, not only theoretically but actually the decision to pass it out was made by the Commissioners themselves? A. Yes, by the Commissioners.

Q. Well, when the plans were submitted from Maxwell & Co. were they found to be correct or were they altered in your engineering branch to any extent? A. Well, I think there were some considerable modifications in the plans in an endeavour to reduce the total cost, because, as the sheds are erected we must endeavour to make the rental pay the cost on the money that goes into them.

Q. Yes? A. And I believe that the first plans that came in, if my memory is correct, showed a two story shed and the cost of the two story shed exceeded the present need of that part of the harbour, so the ultimate plan that was decided upon was a one-story shed with foundations sufficient to add another story when the other story was needed.

*By Mr. Ducharme:*

Q. Who were the architects? A. Maxwell & Company.

*By the Chairman:*

Q. Who is Mr. Loignan? A. I don't know him, I don't know any Mr. Loignan.

Q. Were the plans returned to Maxwell & Company to have them corrected? A. Not exactly.

Q. It has been suggested that an unnecessary expense was incurred in giving out these plans to Maxwell & Company when they could just as well have been made in the office by the regular staff, especially by Mr. Gagnon, what have you to say to that? A. Mr. Gagnon of course is a structural steel specialist, his virtue is his knowledge of steel construction. The sheds on the Tarte pier are reinforced concrete and our engineering department being completely filled up with important work, and the need of these sheds imperative, it was thought good policy to get the work done by a responsible architect, and I believe the sheds as they stand will justify the policy which was adopted.

Q. In any case it was a bona fide exercise of discretion by the Commissioners? A. That is my view, sir.

Q. They thought it necessary and desirable to do it? A. Yes.

Q. And are satisfied with the result? A. Quite, so much so that we are building two more of the same kind.

Q. Where? A. On the same pier, on the opposite side of the pier.

*By Mr. Ducharme:*

Q. Are you aware that these plans were made by Gagnon—you say Mr. Gagnon was busy at something else? A. Yes, at general harbour work.

Q. Are you aware that Mr. Gagnon actually made the plans? A. I dare say Mr. Gagnon had actually to do with the modified plan or the suggested plan for the sheds.

Q. In case the other one would not suit that he would be prepared? A. Yes, but Gagnon did not submit to the Commissioners a plan as coming from himself.

*By the Chairman:*

Q. Well, if he had submitted it, having regard to the fact that he was a steel specialist and this was to be a cement pier, would you still think it necessary to get some one else to do the work? A. We certainly should.

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*By Mr. Ducharme:*

Q. The principal point for which you went to Maxwell was not because you had so much work but you thought it better to go outside and get another man? A. In one way that is quite so, Mr. Ducharme. Two reasons existed, both of which were equally important. If we could not have gone outside of our own organization, we could not have the sheds last year and there was business uniting for the sheds; if we had to be able to increase our own staff under pressure we would have to get some specialist in concrete work to superintend the work.

Q. Then that was the main reason? A. That was the main reason.

*By the Chairman:*

Q. It might turn out that Mr. Gagnon made some plans, but it would not naturally follow that the Commissioners believed Mr. Gagnon capable of making the plans—in making advances from time to time in the wages of the engineering staff, does the Board act on the recommendation of the chief engineer? A. Not always, but they would be guided very much by what the chief engineer would recommend.

Q. There were some increases in February, 1911, and then in August, 1911, on the return of Ballantyne from Ottawa, can you suggest any reason why, having increased the salaries in February, 1911, there should be another increase in August, twice in one year? A. I would like to look at the increases themselves before answering that question. Did I go into this fully the other day?

Q. I asked you some questions about it, but not the question which I am asking you now? A. I don't just recollect the circumstances under which the increases were made. I could better answer that question to-morrow.

Q. Take a note—one of the questions I asked you was whether you could give me a reason for two increases having taken place in one year, particularly why the second increase which took place in the month of August, 1911? A. That question will stand and I will answer it as soon as I get the information.

WITNESS retired.

The Commission adjourned.

MONTREAL, May 29, 1912.

PRESENT.

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

HOWARD COULTON STONE, of the City and District of Montreal, architect, sworn.

*Examined by the Chairman:*

Q. You are an architect, Mr. Stone? A. Yes.

Q. Residing in Montreal? A. Yes.

Q. You are the architect for the Harbour Board of the building on section 15 of the wharf? A. I was.

Q. And did you make the original plans? A. Yes, sir.

Q. On which tenders were asked? A. Yes.

Q. And a contract was made known as the Thackeray contract? A. Yes.

Q. Well, I understand that Thackeray afterwards got into business difficulties and the construction of the work was put in his hands by the Board as a servant of the Board, to be built in that way? A. Yes, sir, Thackeray failed, after having been awarded the contract, and before having started the work.

Q. And has the building been fully completed? A. Yes.

Q. Under your supervision? A. Yes.

Q. And in the direct charge of Mr. Thackeray? A. Yes.

Q. Has the work been satisfactorily performed? A. Yes, eminently so. I think you will see that it speaks for itself after you have looked at it.

Q. Well, outside of the original plan a number of additions have been made? A. Yes.

Q. And alterations made as you went on? A. Yes.

Q. For which if it had been done by contract you as an architect would award extras? A. Certainly. I would say additional works rather than extras.

Q. For instance, will you name some of the things that are outside of the original contract and which have been done? A. The principal item is the first one, \$2,470, which is a price received before work started for the proposed extra buildings and was awarded as a contract in addition to the other one. When the excavation was made it was found that the filled in earth was not suitable to build on and we had to float the building, that is spread out the footings and reinforce them with steel so as to distribute the load over a greater number of square feet to avoid settlement and cracks.

Q. Floating it means when you do not get down to hard pan, you spread out? A. Yes, to cover more square feet and to reduce the pressure per square foot.

Then the amount of \$570 for building cells, well the intention was to install a police station there, and it was not definitely known just what would be required, and it was to be determined on later on and paid for as additional work. They didn't know how many cells they would want, or where they would want them placed.

Then cement steps, when we put in the buildings at the depth they had to go to carry them below the frost line, we found we had to excavate at a greater depth and give a greater height to the basement than we had contemplated doing, which gave us a higher ceiling and better room in the basement and that necessitated these steps going down from the street level to the new level.

Then the concrete floor—when the cells were building after having gone over several police stations here in town with Mr. Fennell, we concluded to arrange the floors of these cells so that they would drain naturally so that they could turn a hose into these rooms and wash the whole thing out. That was not contemplated before. The next two items in my statement might be taken together. The plans called for the west basement to be merely a storage room for wheelbarrows and tools used by the employees about the docks and we intended to leave the granite—I think it is granite or scoria block as a floor of that room, which would have given us perhaps a room six feet high which, for storage, was thought enough. For the same reason that we had to take the greater depth out of the east wing we had to go deeper in making this excavation, so we were able to get a better room there with more height and they decided to clear it for a coat room for the workmen with lockers there and toilet accommodations for them. This was all thought out when we found that we had a greater height to use. Then terra cotta lining in division walls—we are furring these walls to make a regular room of it so the condensation would not form on the inside.

Attending the furnace—that work which had to be done. We employed one of the labourers at least two hours a day and that represents the time that was put on it. I started in with the plumber to begin with and asked him to attend to it and I found that the end of the first pay roll that he had been putting an expensive man one of his plumbers and devoting his time to it and I told him to discharge that man that there was no need of such expense being involved and we put this other man on to

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use his two hours at small pay and it made a lot of difference. He had run up some thirty dollars on me before I realized that he was charging his time on it.

Q. That concludes the so called extras and additions? A. Yes, that is all that is on that list.

Q. I see you have estimated a value of that of \$3,796? A. Yes.

Q. That estimate is your own and also— A. The contractor's. I got his opinion of the value of those things first and I went over them and checked them off myself, that is why I arrived at the conclusion that they are right. It is not a case of my having made these figures but I checked them. The \$2,470 item was inevitable, no matter who has the contract, these goods were absolutely necessary and then the Commissioners elected to have the other changes because they get that much more accommodation in the building. These things need not have been done, only they wanted the room.

Q. The employment of labourers, mechanics, and others on that work would be by Mr. Thackeray? A. Oh, yes.

Q. And do you happen to know by whom the time was kept? A. There was a timekeeper in the employ of the contractor as there is on buildings generally.

Q. Well, when he became a servant of the Harbour Board? A. His time sheet for labour was handed over every two weeks just as soon as it was possible to check off the time.

Q. He was practically the foreman of the job for the Harbour Board after he fell down on the contract? A. There was quite a difference between his tender and the first one, and they called me down here and asked me what I thought about cancelling the contract and dealing with the next man, and I said I thought if they choose to go on with this man this way and employ him the probability was that they would save some money on it, and it has resulted that way.

Q. You think so? A. Yes, I do.

Q. This man had been employed in works with which you had been connected before, and you knew his work? A. Yes, he built the Royal Bank, the head office for me.

Q. And you were satisfied? A. Yes, he is as good a mechanic as there is in town and we wanted to stick to him. This work is a public work and you get all kinds of men bidding on it and there was a temptation on my part I must confess to give it to Thackeray if for no other reason than to get a man that I knew could do it right.

*By the Chairman:*

Q. In any case not following the general rule the result has justified your expectations and you feel quite satisfied with it? A. Yes.

*By Mr. Ducharme:*

Q. Thackeray was known to be weak? A. Yes, Thackeray was always weak. He was weak when he built the Royal Bank. But he was a good mechanic, and the people knew that who consented to his employment on that very building. There is no better business man in Montreal than Mr. Herbert Holt, who was president of the bank, and he knew the man's ability and concluded that inasmuch as he could draw his money every month, 85 per cent of it, he ought to be able to pull it through and he did. He had the bank to back him. Financial standing in moderate sized buildings does not amount to a great deal because they get their money nearly as fast as they can use it.

*By the Chairman:*

Q. Assuming that the amount for which they tender is a fair one, they may be helped along to finish it? A. Oh yes, every month they get from 85 per cent to 90 per cent of the money that is coming to them.

Witness retired.

The Commission then adjourned.

MONTREAL, May 29, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

R. S. LAKE, Esq.,  
G. N. DUCHARME, Esq.,  
*Commissioners.*

FRANK HODGE, General Superintendent of J. S. Metcalfe & Co., aged 46 years, sworn and examined by the chairman:—

Q. Where were you born, Mr. Hodge? A. In the town of Eton, eastern townships.

Q. When did you enter the employ of Metcalfe & Co.? A. May 16, 1910.

Q. Did you commence on the elevator work here? A. I was appointed a few days before I came here on the 24th of May.

Q. You were employed for the purpose of taking charge of the elevator work here? A. Yes.

Q. What are you by trade? A. A carpenter.

Q. You never were with Metcalfe & Co. before? A. No.

Q. Did you ever have anything to do with elevator building before? A. I had.

Q. Where? A. With James Stewart & Co.

Q. Building elevators where? A. Buffalo, Baltimore and Fort William.

Q. Then your experience in the building of elevators is considerable? A. Yes. it is.

Q. Where were you employed just previously to entering into the employ of Metcalfe & Co.? A. Fort William on the Grand Trunk Pacific.

Q. How did you come to get a job with Metcalfe & Co.? A. I wrote and asked them for the job.

Q. Your duties are implied in your name, the general superintendency of that company? A. Yes.

Q. That would cover the observation and charge of the whole work as it proceeded? A. General supervision.

Q. Now, the men under you were paid through the Harbour Board officers? A. They were.

Q. You yourself received your pay from whom? A. J. S. Metcalfe & Co.

Q. Is there any other paid by J. S. Metcalfe & Co.? A. There is now.

Q. There is now? A. Yes.

Q. Who? A. Dan Sutherland.

Q. What is his duty? A. Superintendent.

Q. He is a sort of an assistant to you? A. Yes.

Q. The time-keepers on the work would all be servants of this Board? A. Yes, all servants of the Board.

Q. Now, with reference to the employment of men for work on the elevator, will you just tell us what has been the method of employment? A. Well, the men of course, we start in and get a crew of men, of the different grades, different classes of men that we need, mechanics and labourers, engineers and so forth. After the job is running a man comes to us and seeks employment—

Q. We are now speaking of the elevator? A. Yes, he is hired, and generally a slip made out stating what he is hired for and the rate per day at which he is hired, and

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he presents that slip to the time-keeper and the time-keeper issues him a check and then he is registered on the pay roll, and the slip generally tells to which foreman he is assigned. After he has been assigned by the time-keeper to one foreman or the other he is put to work. That is the method of employment.

Q. Now, with reference to the classes you have here, just name the larger of the classes of men working under you there? A. Well, there are mechanics—

Q. That would mean carpenters? A. Yes, carpenters.

Q. And iron workers I suppose? A. Yes, iron workers, engineers.

Q. By which you mean what? A. Steam engineers.

Q. For steam hoisting engines? A. Yes, and machinists and millwrights.

Q. And concrete mixers? A. No, because they come under the labouring class.

Q. The largest class of all would be the labouring class I suppose? A. Yes, and they are subdivided.

Q. Into what? A. Practically into two classes, the better class would be divided into the concrete gang and the steel gang. Those who mix and place the concrete are those who take and place the reinforcement steel.

Q. What is the general rate of wages for them? A. Well, the better class of men some are paid \$2.25 and some \$2.50, but it is about \$2. And then the labouring class, handle material and do the cleaning up, and unload material, the roustabout class.

Q. They get how much? A. Well, there has been an advance in wages, they were started at 17½ cents an hour.

Q. How many hours a day? A. Ten hours a day.

Q. That would be \$1.75 per day? Yes, \$1.75 per day, and we have had to raise it to \$2, 20 cents an hour, but there has been up to this spring a large proportion at \$1.75.

Q. Who has fixed the rate of wages? A. It has been fixed by the Harbour Commissioners.

Q. Fixed by the Harbour Commissioners? A. Yes.

Q. Has it been the general rate of wages prevailing for such men in other works? A. Oh, yes.

Q. You are quite satisfied about that? A. Yes, the city of Montreal have raised the wages to \$2.25, and I couldn't keep my own men at \$1.75 when they could get \$2.25 there. Lyall & Sons and Mr. Deakin have paid more.

Q. Your rate of wages then has not been higher than the prevailing rate? A. No, I must pay that to keep the men.

Q. You haven't paid more? A. No.

Q. The Board has not been unduly increasing the rate of wages in the city of Montreal? A. No, it has not, no, sir.

Q. The method in which these men are employed—has the selection of the men been exercised by you personally? A. No, it could not with such a large number of men. It has been practically most of it through the assistant, Mr. Sutherland.

Q. Since he became your assistant? A. Before that he was general foreman. I might explain about that. This spring I was advanced to the position of general superintendent—previous to this time I was superintendent, on this one job.

Q. Now you have other jobs? A. Yes, I have other jobs to look after, and I devoted probably two-thirds of my time on this one here, but we took another job in the western part of the city.

Q. And Sutherland was general foreman on the job? A. Yes, engaged by the Harbour Commissioners and in their pay.

Q. And then when you were advanced to general superintendent he entered into the service of the Metcalfe Co.? A. Yes.

Q. And he now controls the selection of men? A. Yes.

Q. And before that as foreman he did it too? A. Yes, sir, either he or Mr. White, who is the general millwright foreman and he employed the millwrights. Mr.

O'Brien, if he had a good man and wanted a good man, he is a labourer foreman, he would pick a man out and bring him up to Mr. Sutherland.

Q. Mr. White and Mr. O'Brien were servants of the Board? A. Yes, both of them.

Q. And Mr. Sutherland as general foreman was a servant of the Board? A. Yes, at that time.

Q. Well now, if these men wished to put on too many men on the work at any time, what course was taken to prevent that? A. That could not be done, that is under my supervision.

Q. The number was under your supervision? A. Yes.

Q. And did you, not merely in theory, but in practice, did you exercise that authority? A. I have, yes, as the work progressed, and it must be understood that we have been running that job day and night, and have done a large amount of over-time work to get the work finished, and have had to have large gangs of men. At certain times when the work would be slack there were a large number of men laid off. Now, there were some 16 or 18 men let out the day before yesterday. We found they were not performing their duties as they ought to, and I want to make it very strong that there was not a man stayed on that job who was not capable of doing his work.

Q. To the best of your knowledge and ability and the advice of your foremen? A. Yes, now it must be expected that where there is a large number of men employed on a work of that class there are a number of men that we cannot get along with. It may go on for two weeks, but if he is soldiering, he gets caught sooner or later, and off he goes. All you have to do is to discharge the men that are not doing the work right, and I discharge them by hundreds. We have used the very best of our ability and judgment in the employment of men on that work.

Q. Have you ever been interfered with in dismissing men by anybody? A. Not particularly, no.

Q. You said not particularly? A. Well, I have had men that would be dismissed and would run up to the Harbour Commissioners.

Q. With what result? A. The result would be that they would be turned right straight back to me.

Q. Have the Harbour Commissioners listened to complaints of that kind so as to interfere with your work? A. They have not, they come back to me or the report has come back to me that they told him you must satisfy Mr. Hodge, that is understood. There is correspondence to that effect that any man on there must satisfy me.

Q. And the Commissioners have not personally attempted to interfere with your discretion? A. They have not, absolutely they have not. I have had a free hand on that job.

Q. You have had a free hand on that job? A. Yes.

Q. During the election time last year and some time before that did the Board or any member of the Board interfere in any way with your discretion in the employment of men? A. They did not.

Q. They did not put any pressure on you to take men on? A. They did not.

Q. Did they try to make you dismiss men? A. No, sir.

Q. Have you ever been interfered with in any dismissal of men? A. I have not.

Q. Have you ever dismissed any men because of any influence upon you? A. I have not.

Q. Have you yourself ever dismissed men from political reasons? A. I have not.

Q. Or have you yourself ever employed men from political reasons? A. I have not.

Q. Or have you ever allowed political bias to interfere with you in any way in the transaction of business in connection with this job? A. I have not.

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Q. Now the chairman has told us that he has sometimes had applications for a job at the elevator and that the parties who make such applications have been sent to you in charge of the work, asking you to give them work if you had it, but no more than that? A. No more than that.

Q. Is that a true statement? A. That is absolutely a true statement.

Q. Have you ever taken a man on the work that you absolutely did not need, merely because the Board or some member of the Board asked you to put him on? A. No, Sir.

Q. You say that in reference to the number of men that should be employed at any time you have exercised the discretion? A. I have.

Q. I presume you would tell the general foreman or somebody else to have more mixers or carpenters or more men if he could get them? A. Every day I pass over the works, sometimes twice a day, with the general foreman, that is we see the work progressing, and as I see the work going on I may say to the foremen: Dan, we must have more men here or we must have more men there—you must take a portion of these gangs here and put them there or we must get this portion of the work ready to bring things close together. When I have told him to put on men he has done so, and when I have told him to discharge men he has discharged them, and of course when he discharges a man he discharges his poorer class of men, he is not going to discharge a good man.

Q. In the matter of choosing who should be discharged and who should not be discharged, has your foreman discretion to do as he likes in the matter? A. Well, that has been up to the foreman, but before that man can be discharged his case has to go before the general foreman. He is made out a discharge slip, if we find a man incompetent, a man loafing or not attending to his work his foreman makes out a discharge slip, and if there is any particular question about that, that man has redress to the general foreman. Now, if we think there is anything in the line of patronage or jealousy or anything of that kind with that one foreman and we know him to be a good man he might be transferred and put in another gang.

Q. That is because of friction between the foreman and the man if you think the man should not be discharged he may be put in another gang? A. I have exercised judgment in that way, but of course, it is poor policy for a superior officer to interfere to any large extent with his under officers if he is going to maintain any kind of discipline, because the men will get to say: "I will go and see the big boss," and if the big boss says it is all right you can go and chase yourself.

Q. Have you at any time had more men at work on elevator No. 2 than properly ought to be at work? A. I have not.

Q. Have you allowed men to idle away any portion of their time? A. Not to our knowledge.

Q. When I say allowed, of course that implies knowledge on your part and that it has been allowed? A. No, absolutely no.

Q. Upon the whole what have you to say with reference to the labourers you have had employed and the mechanics and others there as to their fitness for work? A. In measuring them up with labour in different parts of the Dominion, it is the poorest class of help in Montreal of any city in the Dominion. That is based on an experience of twenty years in work in Canada.

Q. In what respect do you say that? A. In the first place in education—they are deficient in education. And another thing, they have no incentive to work. Their principal object is to beat their employer. I want to make it very clear that generally there is an impression among the men, especially the French Canadians, I say that without bias, that simply because this is a government job they have a perfect license to do as they have a mind to.

Q. Have you been able to remove that impression on your work? A. No, we have not. I won't say that by this time, by to-day, that we haven't a large amount of



that wiped out, because after being here pretty near two years, we have boiled down to a standard that is pretty efficient. In the first year, 1910, I certainly had my troubles.

Now intoxication and drinking is another thing that I have had to fight. They are inveterate drinkers. We can go down there and pick up gin bottles by the bushel, and we have had to fight that right along. I have had to discharge foremen and men, competent men, who would indulge in that, and I could not tolerate it on the work. In the first place the work is too high, and in the second place we discharge every man who is found incompetent. And then we have the foreign element, the Pollocks and Italians to deal with. In this kind of labour, of course, they do not speak our language, and it is hard to get along with them, but we have to take them because we cannot get others.

Q. Have you found any difficulty in getting labour enough? A. At times in the summer time it gets pretty scarce.

Q. When you need it most? A. Yes, in the summer of 1911 I was put to it pretty hard. My work absolutely lagged there for forty or fifty days, and we had a carpenters' strike—they were out two weeks, and it practically disorganized me for a month.

Q. Comparing, as far as you have been able, the labour on the elevator with labour generally given to contractors, have you been satisfied with your own labour? A. It is on a par.

Q. It is on a par? A. Yes.

Q. Save and except that difficulty growing out of the political question you have mentioned? A. Yes.

Q. And their thinking it was a government work? A. Yes, a private contractor does not have that to contend with.

Q. Now you spoke a moment ago as to the lack of education being one bad factor in the situation, that is the Montreal situation? A. Yes.

Q. In your work, such works as the construction of an elevator, is lack of education really a bar to a man's usefulness? A. Yes, sir.

Q. In what way? A. I will give an illustration. During the early part of the construction I used to make a template, putting the figures on and showing the dimensions. We handed that over to a couple of French Canadian carpenters and the foreman went about his work for an hour or two, and then I passed around there, and these carpenters had entirely made it out of the dimensions, from 18 inches to a foot out of the dimensions, I picked up the sketch and said, "Can't you read this, and what are you doing here?" Now he had spoiled his time and material and it had to be torn up and rebuilt.

Q. From lack of education? A. Yes, lack of education.

Q. And was that man able to do the work as far as mere manual work was concerned? A. Yes, sir.

Q. But from lack of education he didn't know what he was to do? A. Exactly.

Q. Now has a large proportion of your labour been done by the French Canadian people? A. I suppose from 65 to 70 per cent, that is of the better class of the mechanics.

Q. About 65 to 70 per cent of the better class have been French Canadians? A. Yes, you know we hadn't that many French Canadian labourers.

Q. Why is that? A. They have been supplemented by the Poles and Italians.

Q. But have graduated into a higher class? A. Oh, yes, into a higher class. We get them in concrete work and steel work and as mechanics.

Q. And as mechanics they are pretty good, I suppose? A. As mechanics they are as bright as any one. I have an illustration—I have a man to-day on the work, Mr. Delorme, he came to work for me at \$2.50 a day as carpenter, and to-day he is general carpenter foreman and we are paying him \$5 a day. When he came to me he couldn't speak a word of English and he is gone to work and is mastering the

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English language, and he is in charge of the English and French Canadian carpenters on the job to-day.

I have a fellow by the name of Belair working in the mill, who started in there at \$1.75. That boy has charge of that mill to-day. He came to me and wanted to talk to me to know how to get along, and I said, "You are a good bright boy and I want you to take a course in the correspondence school."

Q. The correspondence school? A. Yes, when I get an opportunity I want to take a boy up there. I want to make it plain that there has been no discrimination. If a man fills the bill he is my man.

Q. And then generally you would say if the French Canadians were better educated and especially if they could speak English they would have a bright future before them? A. He has a bright future. As evidence of that I have been working for a number of years in the State of Massachusetts and I have employed a great many French Canadians who have come there and got acquainted with our language in the schools, and I have had no trouble with them there. They are bright men, and I could refer you to dozens of instances of men filling high positions. I have one fellow particularly, and who was the general superintendent of the Builders' Iron foundry in Providence, Rhode Island, when I was inspector there.

*By Mr. Ducharme:*

Q. How long ago was that? A. About 8 or 9 years ago.

*By the Chairman:*

Q. Then your prescription for the French Canadian is, educate, educate, educate? A. Absolutely. I have said that they are a very intelligent people. Any of my men will tell you that if you give those boys an education there is nothing the matter with them.

*By Mr. Ducharme:*

Q. What do you call an education? A. A good common school education.

Q. Do you mean instruction or being well brought up? A. Oh, a Frenchman is well brought up.

*By Mr. Lake:*

Q. You mean a technical education? A. Yes.

*By the Chairman:*

Q. You mean the three "R's," reading, riting and rithmetic? A. Yes, that is what they want.

Q. But I do not presume that they need a technical education but that a good common school education is sufficient, your French Canadian is a born mechanic and will rapidly come to the front? A. He will if he is bright. They are bright, they are inventors, they are geniuses.

Q. Well now then, excuse me for asking you in view of what you have said, but I want to put a direct question to you—have you ever known this Board or any member of it, or any of its employees to discriminate adversely against any men on racial lines? A. I have not.

Q. Have you ever known a man to be engaged because he was of one race or the other? A. I have not.

Q. Have you ever known a man to be dismissed for a similar reason? A. I have not.

Q. Do you have any considerable number of British born citizens working for you? A. Quite a percentage now.

Q. And some Cockney Englishmen amongst them? A. Oh, yes, largely Scotch.

Q. I wish to speak only of the Englishmen and more particularly of the Cockney portion, the London man, have you some of them on the work? A. I presume, I couldn't say.

Q. You have from time to time? A. Yes.

Q. Have you had any large number? A. No.

Q. Is there any cause for that? A. No.

Q. Have you shown any preference in favour of them? A. No, nothing at all. I could tell you one thing, he doesn't understand conditions here very well. The general foreman hired a man, he was English, he was probably a Cockney, he came there with his tools, in a box about 18 or 20 inches long and about 6 or 8 inches wide and so deep, and the general foreman said, "Is this your kit of tools?" and he said, "Yes," and the foreman said, "We don't want you, you are not a mechanic," he began to upbraid us because we had hired him and wouldn't put him to work. Now he has been hired as a millwright.

Q. I take it from what you say then that no very large proportion of your employees were at any time newly arrived from England? A. No, they couldn't be.

Q. Why? A. Because we haven't room for them.

Q. Furthermore, in the main, as far as you could if the men you took on were any good have they been continued on the work? A. Oh, yes, we have men there who have been with us from the start of the works.

Q. I have a statement here made by some man that mostly all the workmen on the elevators were newly arrived from England? A. It is an absolute falsehood. I will take you gentlemen right down and introduce you to them.

Q. You have already told us that the majority are French Canadians? A. Yes.

Q. And have been? A. Yes.

Q. Have you anything to do with the quality of materials used from time to time? A. I pass on practically all the material.

Q. In the main the cement which you used has been obtained from the Canadian Cement works? A. Yes.

Q. Will you tell us any special reason why that has been the case? A. Simply because the Canadian Cement works control all the cement works in Canada.

Q. There is another cement to be bought in Canada? A. Now I pass on the material as to the quality but as to the purchasing, I have nothing to do with that.

Q. Or you have nothing to do with the question of price? A. No.

Q. Then with regard to the quality, when cement is to be bought do you examine as to the quality or only when it is actually brought on the works? A. The inspection is passed by the Canadian Inspection Co., as to tests, its boiling test and its tensile strength.

Q. And the contract being made with which you have nothing to do, and this cement being tested through the Inspection Company, it gets down to the actual work and then you have to do with it? A. Yes.

Q. Well now, have you at any time rejected cement that has been brought there? A. I have not had occasion to reject a single car.

Q. You have not had occasion to reject it, by which you mean that the quality has been good? A. Yes the quality has been good.

Q. And satisfactory? A. Yes, not long ago I made this statement to the chemist of the Canada Cement Co., that the cement which they had furnished us had given the best results for the building of bin walls in connection with our sliding forms of any cement I have ever used in the construction of elevators.

Q. By the way, just explain that "sliding forms" is it a form which is used in the making of the bin? A. Yes, the form is constructed showing the contour of the bin wall; and then these forms are lifted by means of jack screws or jack rods, and as the cement is poured in, the form is gradually raised, it is a continual operation.

Q. Does the bin grow wider as it grows upwards? A. It does not.

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Q. Is it the same size upward? A. Yes, the forms are tight together and made in such a manner that you shove them right up.

Q. And it hardens a little? A. Yes, that cement sets itself—it is a peculiar feature of the Canadian cement that it gives me a chance for a great range of work, and in running these walls we made as high as 6 feet 8 inches on an average.

Q. In what time? A. That is in 24 hours. I might say there has never been that record made in bin construction.

Q. What would be the best before that? A. About 3 to 4 feet, I think about 4 feet on the Fort William elevator.

Q. And you ascribe that improvement generally to the quality of the cement? A. Yes.

*By Mr. Lake:*

Q. What cement did you use at Fort William? A. We used Belleville cement, and I think we had some Canadian Lehigh.

*By the Chairman:*

Q. That was as good as anything that you had previously used? A. Yes, it was good cement.

*By Mr. Lake:*

Q. Have you ever had to wait for cement here or has it always been delivered as you required it? A. Deliveries are prompt, whenever an order has been placed it has been shoved right up to us.

*By the Chairman:*

Q. There is a cement works here in the port of Montreal? A. Yes.

Q. And your stuff has been supplied straight from that? A. Largely from that.

Q. Consequently it has been in the main quite freshly made, new cement? A. Well, the cement has been put in the bins and is all seasoned.

Q. It is not old or slack or anything of that kind? A. No.

Q. You say it has been uniformly good? A. Yes, uniformly good.

Q. And in every respect the elevator in the matter of cement and concrete has been highly satisfactory? A. Highly indeed. The manager for the Canadian Stewart Company visited the elevator several days ago and pronounced it the finest piece of concrete work on the continent.

Q. What is the Canadian Stewart Co.? A. Elevator builders, having built the Grand Trunk Pacific elevators, they have built an elevator at Goderich and an elevator at Peterboro.

Q. Then outside of the cement what has been the chief material which you have used in the elevator? A. Stone and sand.

Q. Stone and sand? A. Yes, and lumber and reinforcing steel.

Q. The steel comes from where? A. It has been furnished by the Steel Company of Canada, the largest portion of it.

Q. They have their headquarters where, Hamilton? A. No, Montreal. We have had some steel from Hamilton though.

Q. Outside of these things that may be called raw material the next largest item has been I suppose in machinery? A. Well, machinery yes, is a lot of course. Well there is a lot of structural work and plate work that you cannot really call machinery.

Q. That is matter of special purchase by contract? A. Yes, special purchase and contract.

Q. And upon the whole you have had nothing to complain of in the work concerning that? A. No.

Q. There has been some slight delay in delivering? A. Yes.

Q. It is usually so in any building? A. Yes, the reason for that generally is owing to the tie up of material throughout the country.

Q. When it has been delivered it has not failed to be up to specifications? A. It has not. If it has it has been turned down.

Q. Then has the general progress of the work on the elevator been satisfactory to you? A. It has.

Q. It is not yet ready for taking in material? A. It is not.

Q. Do you expect that it will be ready soon? A. In about 15 or 20 days.

Q. That is a few weeks later than the time estimated? A. I presume so.

Q. What has been the general cause of such delay? A. The carpenters' strike for one thing, the scarcity of labour in the early part of this construction, and the severe winter we have had to contend with. We have had a pretty hard fight all winter to keep the work going on in order to get ready.

Q. After you are ready to take in material will you still have to complete the conveyor system? A. Well, we will be ready to take in and ship as far as Tower L, and then there will be the completion of the north gallery system and the marine tower.

Q. You will be ready to act as far as Tower L in the number of days you spoke of? A. I think so, I cannot say positively, for there are many little details to look after, but we are in fair shape now.

Q. There has been an addition constructed to the elevator not originally intended to be used for storage purposes? A. Yes.

Q. Which will of course not be ready for some time yet? A. Some time this fall.

Q. That will not interfere with the operation of the main elevator? No, we made temporary arrangements so as to use the main elevator.

Q. Now, Mr. Hodge, you have no personal connection with the Montreal Harbour Board? A. No, sir.

Q. You have nothing to hide and nothing to fear from them? A. Nothing at all.

Q. You have no personal interest in the business of Metcalfe & Co. other than that you are employed by them? A. That is all, I am employed by them.

Q. And therefore you have no interest either direct or indirect in giving the evidence you have given here to-day? A. None at all.

Q. Then in relation to the general conduct of the Harbour Board and its members and officials towards the construction of this elevator, having regard to the fact that they are trustees for the public, have you seen anything to justify fault finding with them? A. No, I have not.

*By Mr. Ducharme:*

Q. What has been your occupation as a rule, and your trade? A. I have been a superintendent for the last 15 years or more.

Q. In elevators or other things? A. General construction, industrial plants and other buildings.

Q. Before that what were you doing? A. I learned the trade of carpenter.

Q. You were a carpenter.

*By the Chairman:*

Q. In making the frames for the concrete are the frames subsequently broken up? A. Well, we have used—sometimes you probably mean instead of frames the word "form."

Q. I am only now referring to a note of some complaints which I have, and which speaks of frames for concrete which were demolished and the wood thrown into a dump? A. It is reasonable enough that on the construction of a building of that magnitude that there is going to be a large percentage of lumber that will be destroyed in building and taking down those concrete forms, but I wish to say that a large amount of that lumber has been used over two and three and four times. Now, our

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sliding forms would be used a second time and would be used a third time. We use them to build the first half and then to build the second half and now we are using them to build the annex, so that is three times they have been used. And all the material for the bin forms and hoppers have been used the second time and will be used the third time. A large portion of our material has been used a number of times. In the fabricating of forms of that type, the lumber is received in longer lengths and must be cut to dimensions in order to get the proper size and shape. If long enough to be used a second time it is used a second time, if, for instance, in making the forms for bins, or columns or girders, that stuff is cut up into short lengths—now a large amount of that stuff has been used for a second, third and fourth time. Our column sets were all made and have been used over a number of times, and in every instance where lumber can be used more than once it has been done.

Q. Well, then from what you say, there would from time to time be a certain amount of wood which could be no further used? A. Yes.

Q. And that would be thrown into the discard? A. Yes, thrown into the discard.

Q. Then I have a note here that in the autumn when the work was diminishing it took about 30 men to gather up all this wood, and when it was all placed they had it all taken away a few feet from there into another dump, and afterwards they took this wood piece by piece and pulled out the nails, while there were others that were driving nails in so that the remainder could pull them out, in order to make the work last longer. What have you to say to that? A. We are in the habit of cleaning up our material as it comes from our forms in order that it can be used a second time. It is cheaper to clean up the material than it is to buy lumber at \$20 or \$24 a thousand.

Q. And that cleaning up would include the taking out of nails? A. Yes, some individual might have passed by there and didn't know what he was talking about and made that report. Now that is the way it looks to me.

Q. What could be meant when he said that the others were driving nails in at the same time? A. I cannot conceive.

Q. Unless it were making the other forms? A. It couldn't be making forms if they were cleaning up the stuff there. There might be some case though where a hammer or the claw of a hammer wouldn't get hold of a nail to pull it out and to make it a smooth place they would take a hammer and drive the nail in, so the nail wouldn't stick out.

Q. That would be in the course of cleaning up? A. Yes, I would like to say that that work has been under the direction of Mr. Hugh Patterson.

Q. He is a Scotchman by name? A. Never mind what he is, he is a conscientious workman, and he has industriously looked after that end of the work.

Q. I didn't mean to ask what he was by way of implying anything against him, but rather something in his favour. I thought if he were a Scotchman he would not allow any waste to take place? A. That is right, no waste.

*By Mr. Ducharme:*

Q. So far as you know this thing did not happen? A. No, why should it? Why should I tolerate it?

Q. But did it? A. No.

*By the Chairman:*

Q. That work you say would be in charge of Mr. Hugh Patterson? A. Yes.

Q. He is still in your employ? A. Yes, still in our employ. We have cleaned up this lumber and taken care of it and piled it up and taken care of it, because there was value in it. He didn't want to see it wasted, we couldn't afford to see it wasted.

Q. Who would have charge of cleaning up all snow and putting it into wheelbarrows and throwing it over Victoria wharf? A. Mr. O'Brien.

Q. He is still in your employ? A. Yes.

*By Mr. Lake:*

Q. Well, still on the question of timber, what was your opinion as to the quality of timber? A. The quality of lumber has been of the proper kind required for the work.

Q. And you are satisfied? A. Yes, I am satisfied.

*By Mr. Ducharme:*

Q. Now, Mr. Hodge, last summer you had a big lot of men working there? A. Yes.

Q. Didn't you have more than you really wanted? A. No, sir.

Q. You are positive of that? A. I am positive. I would like to ask this question: How is a man who is not intimately connected or acquainted with the class of work to be a judge as to how many men should be employed?

Q. That is not the question—we are asking you for a knowledge of the facts and nothing else. Now were some of those men working in cement, bricklayers, &c., supposed to be working day and night, extra time? A. We have had to work a lot of our men overtime, because of our inability to get men to work two shifts right through. I want to explain now, that in running concrete our concrete floors and other parts of the work, that after a floor has been laid and floated off, the cement does not get down to a condition in which it can be trowelled until perhaps some time in the night, and I would go over in the day time, and if good work is produced it must be a continual operation and that work must be watched.

Q. Were you there at night? A. I have been there considerable at night.

Q. Did it ever come to your knowledge that the men were loafing or sleeping while they were supposed to be working? A. Yes, lots of times, and they have been discharged for doing it.

Q. What was the salary that these men were getting, the wages? A. With reference to the cement finishers?

Q. Yes? A. They were getting from 25 to 30 cents an hour.

Q. What kind of men were you employing at that work? A. A mixed gang.

Q. Did you find them very often sleeping like that? A. No, I never caught them sleeping, but I would hear this indirectly from some of my other men, some of my trusted employees.

Q. And it was on their report you discharged them? A. Why, sure.

Q. Were you aware you were going to be called at a witness? A. No.

Q. Did nobody approach you on this question? A. No.

Q. We were talking a minute ago about waste, a complaint was made that there was a waste of time? A. Yes, there may be chance for argument on that. I have done a large amount of this class of work, and I have handled it successfully. It is a matter of judgment. We do not go ahead and do a piece of work unless in our judgment we assume it is possible and in the best interest.

Q. But did it come to your knowledge that these men were there playing with this lumber? A. No, it did not.

Q. And if it did happen it would be Mr. Patterson that would know about it? A. Yes.

Q. You did in the course of last summer increase the wages of the men? A. Yes, we did.

Q. When you say we did, who did? A. The harbour commissioners.

Q. Were you in their employ then or in the employ of the Metcalfe people? A. I have been in the employ of the Metcalfe Company all the time.

Q. You have never been in the employ of the harbour commissioners? A. No.

Q. You say that in 1910 you had a lot of trouble with the men? A. Yes.

Q. Well in 1911 you got along better? A. We had a better organized gang, the gang had been weeded out and in better discipline and organization.

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Q. Wouldn't that apply more to the latter part of the summer of 1911? A. Oh no, because I had got my organization in good shape and weeded out the men by the fall of 1910.

*By the Chairman:*

Q. One season's experience had helped you to do that? A. Yes, largely.

*By Mr. Ducharme:*

Q. Were you ever asked last summer, in September to put on more men? A. To put on more men?

Q. Yes, asked by anybody? A. Not to my knowledge.

Q. Did anybody come and ask you to keep on men for a little while? A. No, sir, it has been absolutely in my own hands. I have never been asked to put on any men and I should have resented it.

Q. Now you said you did complain about a few of your workmen there not understanding your orders, the French Canadian people? A. Oh not particularly, the Pollocks and Italians were the same.

Q. You were speaking in English to those people? A. Yes.

Q. You did not speak to them in their own language? A. I give but very few orders to any of the men. These orders are conveyed to the men through their foremen, and as largely as possible men of their own nationality have been put in as foremen over them. We have had to do that to get any results.

*By the Chairman:*

Q. That is a French Canadian gang would have a French Canadian foreman? A. Yes, or an English foreman who speaks French.

Q. As far as possible that would be? A. Yes.

*By Mr. Lake:*

Q. Have you a large number of Italians and Pollocks employed? A. They are coming and going all the time, I cannot say a large number, perhaps 100 or 150 on the job, and there are possibly 1,000 men employed there.

Q. Possibly 10 per cent of them would be Italians and Pollocks? A. Yes, possibly 10 per cent or possibly 15 per cent, but understand it was a class of labour that I cannot get the other fellows to do.

*By the Chairman:*

Q. And that was simple labourers work, plain lifting and pulling? A. Yes, and unloading material and handling cement and things of that sort.

Q. As a matter of fact to-day the commonest kind of labour is being done everywhere by that class of labour? A. Yes, both in the Dominion of Canada and in the United States.

Q. And you cannot get the Anglo-Saxon or the French Canadian in this country to do that kind of work? A. No, he won't do it.

*By Mr. Ducharme:*

Q. You are expected by Metcalfe & Co. to see that proper diligence is carried out in the performance of that work? A. That is my duty.

Q. But are you expected by them to do that? A. Why certainly.

Q. Do you know their engagement with the Commissioners? A. No, I never saw any contract, and I don't know anything about it.

*By the Chairman:*

Q. You are there to drive that work to the best of your knowledge and ability? A. That is exactly it, Mr. Morine, that is what I am there for, and I have been doing it.



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Q. You have put your shoulder to it and have done the best you could? A. Go and ask some one else, don't ask me.

Q. Well you have done your best? A. Yes, go and look at the work. I want to say that I welcome every inquiry as to the job, everything has been open and above board, patronage has not existed on the job, the inspection of material has been rigid, and the best class of work has been performed and executed under all existing circumstances and conditions. The job speaks for itself.

Q. Personally you are proud of the job and proud of the way in which it has been done? A. I am, absolutely; it has given me a reputation on both sides of the line, as well as across the water.

*By Mr. Lake:*

Q. The cement is being supplied in bags at the present time is it not? A. Yes.

Q. And you are returning the bags? A. Yes.

Q. Do you find there is any waste in that? A. Yes, there is a percentage of waste, yes.

Q. A very considerable percentage of the bags not returned? A. No, I don't think so, considering everything we have used. There has been perhaps more in the last few months where I have used a considerable number of cement bags for handling sand up in the cupola. These bags have all been dried out and returned, and I have had a couple of fellows sewing up the torn bags that could be repaired.

Q. So practically the loss is slight, but the loss is bound to be something on a job of that sort with the amount of cement in bags that has been made? Do you know of any reason why the price of cement should be greater at the present time than it was last year? A. I cannot enter into a discussion of that kind, because I do not know. I don't know anything about the prices.

Q. You say you don't know anything about the prices? A. No, I couldn't tell you what we pay for a barrel of cement any more than the man in the moon.

Q. Have you used the Vulcan cement in the past? A. I don't know that I have ever used the Vulcan cement in Canada.

*By Mr. Ducharme:*

Q. Did you use much cement in barrels? A. No, none at all.

Q. All in bags? A. Yes, all in bags, it doesn't pay to handle it in barrels.

*By Mr. Lake:*

Q. Cement which has been brought across the water has been brought in barrels? A. Yes, it has been.

Q. Have you ever used any in bags which has been brought across the water?

A. No, I have not, in fact I haven't used any imported cement for 14 or 15 years. I used some in Boston some years ago, some German cement in barrels.

Q. It would cost you more to handle cement in barrels? A. We couldn't, because we used so many bags of cement to a batch of concrete. If it was in barrels you would have to take it out and measure it. Our Canadian bag of cement weighs 87 pounds, and we proportion our cement to that.

Q. Of course you could change the system of making the measurements in some way if you were handling all the cement in barrels? (No answer.)

*By the Chairman:*

Q. In 1910 you did not use much cement on the work? A. No, we put in about 10,000 yards of concrete.

Q. You just got ready to commence the principal construction before the cold weather came on? A. Yes, sir, we put in the foundation.

Q. And practically the cement work was done last year? A. Yes, from the 10th of April up to the present time all cement work has been done above the ground.

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Q. That is this year? A. No, from the 10th of April, 1911, up to this time.

Q. I notice the cement used in 1910 from the Canada Cement Company was in paper bags? A. Well, no, I couldn't say positively.

Q. Did it come some of the time in paper bags? A. I have seen it in paper bags and I have used it on other jobs, but I do not think on this job here, but I would not be positive.

*By Mr. Lake:*

Q. Did you do the foundation work? A. We have done everything that has been done.

*By Mr. Ducharme:*

Q. These bags for cement were returned by whom? A. By the Harbour Commissioners and credit given for the same.

Q. Did you return these bags? A. Yes, to the cement company.

Q. Yourself? A. Well, under my orders.

Q. That is what I want to know? A. They were returned off the work.

*By the Chairman:*

Q. And do they come and get them? A. No, we put them in a freight car and ship it to them.

Q. You put them in a freight car down at the elevator and ship them down? A. Yes, if an accumulation of bags takes place there the clerk will happen to see them and order them shipped down.

*By Mr. Ducharme:*

Q. Then when these bags were shipped an account was kept of them? A. Sure an account was kept. We have a record of every bag shipped in the job office.

Q. Is it the Metcalfe Co.'s office? A. No, the Harbour Commissioners' office there on the works. That is, everything outside of myself and Mr. Sutherland is Harbour Commissioners, and all the servants there are Harbour Commissioner servants.

Q. That cement is sent you to be employed on the works there? A. Yes.

Q. Which are under your control? A. Yes.

Q. That cement is used according to your orders? A. Yes.

Q. Then these bags come into your possession after that moment? A. Yes.

Q. What do you do with them? A. As soon as they are emptied and cleaned, they are bundled, I think 50 in a bundle, and they are put in a freight car and counted, and a bill of lading made, and a bill sent to the Canada Cement Company.

Q. But I want to know what you do yourself with these bags? You say, 'We'—now some one must control these bags and I want to know how they are handled. A. When a package of bags accumulates in the shed they are cleaned and sewed up and put in the bundles, and I will go to the clerk and say he had better ship the bags.

Q. Which clerk? A. Bishop.

Q. A clerk in the employ of the Harbour Commissioners? A. Yes, every man there outside of Mr. Sutherland and myself is in the employ of the Harbour Commissioners.

Q. When you give an order to this office of the Harbour Commissioners and ship the bags, do you keep an account of the bags? A. They do.

Q. I am asking you, do you? A. No, I do not.

Q. You do not keep an account either of the cement that you receive? A. I cannot keep the accounts. We have a set of books and every bag of cement that is coming in is checked in, and every bag of cement that is used is checked out.

Q. How is it checked in or out? A. We have checkers there to check that material.

Q. The Commissioners have checkers? A. Sure.

Q. Do the Harbour Commissioners attend to that? A. Yes.

Q. And they attend to the bags themselves also? A. Yes, they attend to the bags.

*By the Chairman:*

Everything that is done on the bags is done there in receiving, or sending out, or keeping accounts, or anything of that sort is done by the servants of the Harbour Commissioners, and Metcalfe & Co., themselves are only the engineers of the Harbour Commissioners.

*By Mr. Lake:*

Q. But Mr. Hodge, you are in charge of the works and you treat all the servants of the Harbour Commissioners as if they were your servants for the time being?

A. They receive orders from me.

Q. They all receive orders from you, and you have control of them in regard to obedience to your orders and control of the work? A. Yes. I will explain that, say I order ten cars of cement. I order that through Metcalfe & Co. I send a requisition to Metcalfe & Co., and Metcalfe & Co., send their requisition to the Harbour Board. Then they order from the cement company 10 cars of cement to be sent in, and the cement company makes out an invoice of the cement and sends it to the Harbour Board. In the meantime I get the cement. Then that invoice is sent down to be checked up as to quantity.

Q. To where? A. At the office, at the job office. When the cement comes in that cement is checked up and if the account is right we O.K. the invoice and send it to Metcalfe & Co.

*By Mr. Ducharme:*

Q. Who is "we"? A. The clerk.

Q. But that is not you, you say "we"?

*By the Chairman:*

Q. It is sent to Metcalfe & Co.? A. If the quantity is right that bill is passed.

*By Mr. Ducharme:*

Q: But the man who puts the O.K. on it is an employee of the Commissioners?

The CHAIRMAN.—Yes, but under the control of Metcalfe & Co., who are responsible for that work.

The WITNESS.—If there is anything wrong about the cement, and the quantity is not there, then there is a letter written explaining that there is a shortage, or if there is a lot of damaged bags or anything out of order in that car of cement, there is a letter written and attached to the invoice sent to Metcalfe & Co. Then as engineers Metcalfe & Co., get after the cement company to find out what is the trouble.

*By Mr. Ducharme:*

Q. It is the same office that checks in your cement that checks out the bags?

A. Yes, the same office checks out the bags.

*By the Chairman:*

Q. No difficulties have arisen in the settlement of accounts with the cement company have they? A. Nothing that I know of, but it is out of my jurisdiction as to the settlement of the accounts.

Q. There have been shortages at times? A. I presume so.

Q. And damaged bags I suppose? A. Yes, damaged bags and shortage.

Q. Have they been regularly brought to the attention of the cement company?

A. Yes, they have been regularly brought to their attention.

Witness retired.

The Commission adjourned.

Public Service Commission

1912

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EVIDENCE

*RE*

DREDGING

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PUBLIC WORKS DEPARTMENT

OTTAWA, February 15, 1912.

The Commission met at 2.30 o'clock this afternoon.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

R. S. LAKE, Esq.,  
G. N. DUCHARME, Esq.,  
*Commissioners.*

WILLIAM M. DUNLOP, sworn.

*Examined by the Chairman:*

Q. What is your occupation? A. Chartered accountant.

Q. Residing in Ottawa? A. Yes, sir.

Q. You are a chartered accountant of the province of Ontario? A. I am a member of the Dominion Association of Chartered Accountants and also a member of a Provincial Association of Ontario.

Q. How old are you? A. Fifty-nine years.

Q. Accountancy has been your profession through life? A. Yes.

Q. And before taking up business in Canada where were you engaged? A. I was located with the English accountants in New York City. Prior to that I was with English accountants in London, England, a firm of Chartered Accountants, there.

Q. You were employed by the Government of New Brunswick in connection with the Public Accounts of that province? A. Yes, the Provincial Government.

Q. In the years? A. In the year 1908.

Q. And in the course of your experience have you had any connection with dredging accounts or business? A. No, not directly with dredging accounts, construction accounts involving questions of progress estimates, &c., I have had.

Q. Construction of what? A. In railway construction work and power development work I have had large experience especially in regard to progress estimates for such work.

Q. You were requested by the Commission to do some work for it in connection with dredging work in the Department of Public Works here? A. Yes.

Q. And you have been employed from what date? A. From the first of February.

Q. Up to the present time? A. Yes.

Q. And your work is still continuing? A. Still continuing in the examining of the work especially of the contract dredging work.

Q. By request you have prepared a schedule of officials in dredging branch with details as to their positions and work? A. Yes, officials in the employ of the dredging branch with details, so far as possible, of the work done by them.

Q. That is the statement which I hold in my hands? A. This is the statement prepared by me.

Q. Is Mr. James Howden the superintendent now working in the branch? A. No, sir, he is incapacitated by ill-health and is in a hospital in Montreal at present.

Q. Has he been there for some time? A. For some time.

Q. Have you learned in the department that he has been ill for some time?  
A. Yes, he has been very considerably absent during portions of the year 1911, from the office management.

Q. He is 72 years of age and has been 23 years in the service? A. Yes, that is stated there.

Q. Does the office seem to require superintendents more than is at present afforded?  
A. Yes, very distinctly.

Q. Then you think that the absence of Mr. Howden or at least of some capable official in his place, is a serious matter, do you? A. Very serious, indeed, to the efficiency of that branch of the Public Works Department.

Q. Is there any particular reason at this season of the year in that connection?  
A. Yes, in regard to arranging for the current operations which should be started in the spring and also especially regarding the preparing of specifications for the purchasing of necessary supplies required in connection with the departmental dredging operations.

Q. Who is in actual charge of the office there at present? A. Mr. E. B. Godwin, who is entitled assistant superintendent.

Q. He is 56 years of age and has been 32 years in the government service?  
A. Yes.

Q. How does he strike you as to capacity for so large an operation as the dredging?  
A. I think Mr. Godwin seems to lack experience and training in executive ability which is really necessary in the administration of that branch.

Q. The dredging operations have grown very largely in recent years? A. Very largely from the year 1907.

Q. Within those years has it more than doubled? A. It has almost trebled, it has much more than doubled since the year 1906.

Q. Without asking you at the present moment as to the capacity of each of the individuals there, leaving that for further consideration, what have you to say with reference to the organization of the office at the present time, its existing organization? A. The general efficiency of the office is now impaired, and there is a distinct lack of management affecting both control and discipline, both the necessary control and discipline which should be duly observed in the government service.

Q. Having regard to the extensive operations both of government dredges and the large volume of contract dredging, does the organization of the branch in charge strike you as at all adequate for the work? A. No, sir.

Q. Is it even measurably such as you think it ought to be? A. No, it is far short at present of being properly organized.

Q. And as to the methods adopted in the offices are they at all adequate? A. No, sir.

Q. You think then there is need of concrete reorganization, do you? A. If I might use plain language, they have an old-fashioned and involved laborious clerical service.

Q. And even of such a fashion is it adequate to the demands of the situation?  
A. I do not think so.

Q. You think then that a complete reorganization both as to personnel and as to methods is urgently called for? A. Most decidedly.

Q. Outside of the dredging branch what officer is immediately above it? A. I might state the assistant engineer of the Public Works Department.

Q. Mr. Dufresne? A. Mr. A. R. Dufresne, who has really the immediate charge of the technical work in connection with the dredging operations.

Q. You have up to date presented two interim reports in writing? A. Yes.

Q. One dated February 5, and the other dated February 12, Exhibits 2 and 3?  
A. Yes.

Q. In Exhibit 1 you deal at some length with the question of management and control about which I have just been asking you? A. Yes.

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Q. In the latter you also deal with the question of purchasing supplies? A. Yes.

Q. And you especially mention that the firm of Lewis Bros., Limited, of Montreal, obtained a contract for hardware for the year ending March 31, 1912? A. Yes.

Q. That contract was on the basis of prices for the goods delivered per order at any point of destination between Quebec city and Windsor, Ont? A. Yes.

Q. And does not specify any particular quantities for any particular destination? A. No.

Q. So that the sellers might be called upon to ship the whole amount the extreme distance or the whole amount the shortest distance? A. The shortest haul.

Q. What have you to say as to a contract of that kind? A. It is difficult to understand the fair basis on which a contract arranged so might be made, as there would at the commencement of the contract not be sufficient information for the department to conclude for purchasing at such prices.

Q. What you mean to say then is that in order to find out that the prices for the articles were fair or not the department would have to know how much of each article would really be deliverable at a particular place, and would have to add the freight rate on those articles to the price of the article? A. Quite.

Q. And consequently a calculation could not probably be arrived at as to whether the prices were fair or not? A. Quite so, that is what I mean.

Q. Well, then, what have you to say to this proposition that where goods have to be delivered at many places over such a very large area as is covered by that contract they should be bought at places nearer the point of demand? A. Yes, nearer the point of requirement.

Q. As, for instance, those near Quebec at Quebec? A. Quite so.

Q. Near Montreal, at Montreal? A. Yes.

Q. And near Toronto at that place? A. And near Midland at Midland. For the Georgian harbour, for Victoria harbour, you could buy at Midland if departmental dredging was being done.

Q. Providing that suppliers of sufficient size were at that place? A. Yes, to offer right prices.

Q. To offer low prices? A. Yes, that is right.

Q. You might find that for use at Midland, for instance you get lower prices in Toronto than locally? A. Quite so.

Q. But there would be no reason to send to Midland all the way from Montreal? A. No, sir, that is quite what I mean. The system of goods being tendered for, freight paid has only been adopted by the dredging branch within the last three years and prior to that the goods were tendered for at the ordinary lowest prices at the point of supply.

Q. And the department would pay the freight? A. Yes.

Q. At the point of supply you mean where the supplier has his business? A. There are the two things, the point of supply and the destination point.

Q. This which I hand you is a copy of one of the contracts with Lewis Bros., one of the tenderers? A. Yes, one of the accepted tenders.

(Document filed as Exhibit 4.)

Q. Prices are mentioned for various things. The last clause of the specification says "delivery to be made f.o.b. when and where directed?" A. Yes.

Q. At any points east of Ottawa as far as Quebec and west of Ottawa as far as Windsor, Ont.? A. Yes.

Q. You said, Mr. Dunlop, that generally speaking, the contracts covered what three classifications? A. Hardware, chain, and iron supplies. Iron would include steel bars, &c.

Q. Are they all covered in this same form of tender? A. Yes.

Q. Speaking of that, Lewis Bros. tender, you supply me a memorandum of the amount of material received from Lewis Bros. from May 24, 1911, under that con-

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tract, and the total was \$6,528.81? A. Yes, this information I believe is correct. The information as to the \$6,528.81 was supplied by Mr. E. S. Godwin, assistant superintendent of dredging.

Q. Up to the present date you had not been able to pay any attention to the question of dredging by the departmental plan? A. No, sir, not yet.

Q. But have confined yourself entirely to the question of contract? A. Contract dredging work, I have confined myself so far to the expenditure made on contract dredging work for the fiscal year 1909-10.

Q. Your assistants are proceeding with the examination of the same work for 1910-11? A. My assistants are proceeding on the same lines of examination into expenditures on the contract dredging work for the fiscal year 1910-11, and it is my intention to follow same into the dredging work for 1908-9.

Q. That is to say the work being done at the Mission and Kaministiquia river, at Fort William? A. Fort William, in the Fort William district.

Q. That is being done by the Great Lakes Dredging Co.? A. Limited, of Port Arthur.

Q. Under a contract made the 27th day of June, 1906? A. Yes, the department number of contract being 5992.

Q. And which contract was amended by a further contract dated the 4th day of June, 1909? A. No. 7339.

Q. What is the total quantity of yards dredged during the season of 1909? A. 3,573,062 yards. It is practically the season of 1909. 1909-10 was from April, 1909 to November, 1909.

Q. As a matter of fact the first bill was rendered on the 30th day of April, 1909, and the last on the 30th day of November, 1909? A. Yes.

Q. Those bills rendered in April would indicate that the work was done during the month of April? A. Yes.

Q. Then the total amount paid to the contractors by the department for that work was \$739,411.74. That amount is arrived at by a unit price charged and allowed per yard. A. Yes, arranged by contract to be charged by yard.

Q. The contracts are expressed to be so much per yard with an allowance for distance more than a certain fixed distance? A. With an extra allowance for towing beyond a prescribed distance limit which is fixed in the specification.

Q. In your figures will you please examine this to tal and tell me where an extra allowance for distance beyond the prescribed limit was allowed? Was that allowed in many cases? A. In very many cases.

Q. In the contract 5992, the prescribed distance was  $3\frac{1}{2}$  miles from the mouth of the Mission river? A. Yes, there were two stated in that 5992,  $3\frac{1}{2}$  miles from the Mission and 3 from the mouth of the Kaministiquia river.

Q. And beyond those distances an allowance was to be made of one cent per cubic yard for every additional mile of towage as ordered? A. Yes.

Q. Take No. 7339, the distances were the same as in the previous contract? A. Yes.

Q. In the contract No. 7339 amending contract No. 5992, no changes were made as regards towing distances or extra per cubic yard? A. That is correct.

Q. What is contract No. 7170? A. It principally concerns materials,  $25\frac{1}{2}$  cents measured *in situ*.

Q. Contract 7170 was dated 27th February, 1909, and was made between the Great Lakes Dredging Co. and the King, and referred to the dredging terminal basin at the mouth of the Mission river, Ontario? A. Yes.

Q. Was the work covered by that last contract not also included in the previous contracts? A. By 7170? I think not, I think that refers to new work.

Q. Contracts 5992 and 7339 concern the dredging in the same places, the same dredging? A. They concern the dredging of the Mission river and the Kaministiquia river.



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Q. Both cover the same dredging? A. Quite so.

Q. And one was only amending the other? A. Quite so.

Q. Then it was under those two contracts that these 3,573,062 yards were excavated in 1909? A. Under those two and also under contract 7170, and contract 7058 which referred to work at Port Arthur included there.

Q. What did contract 7158 refer to? A. That was before mentioned, between the same company and the King, was dated December 8, 1908, and referred to dredging at Port Arthur in Ontario.

Q. Then those four contracts covered the total of 3,573,062 yards? A. Yes.

Q. Upon what proportion of the total amount were excess towage rates paid? A. On 3,038,927 cubic yards.

Q. Is it correct to say that  $\frac{1}{4}$  of the total amount excavated appears to have been towed beyond the limit prescribed in the specifications to the contract? A. Yes, I think it will work out about  $\frac{1}{4}$ .

Q. You have supplied us with a statement which shows the allowances paid for extra towing beyond the mileage limit for the work done under the contracts you have mentioned in 1909? A. Yes.

(Document filed as Exhibit No. 5).

Q. The extra mileage in that table varies from one cent a yard up to 6c. a yard? A. Yes.

Q. Where 6c. is allowed in the table as an extra, it means that they have been allowed for towing it 6 miles further than the prescribed limit? A. Quite.

Q. I notice several cases by the table in which while the unit price per yard stated in the contract is 9c. they have been allowed 15c.? A. Yes.

Q. The 6c. being for extra? A. Extra towage.

Q. Under the contracts the allowance grew as the extra distance grew, did it not? A. Yes, one cent per mile per yard was specified by the contract. Paragraph 29 of the Specification to contract No. 5992, reads as follows:—

“Prices mentioned in the tender shall include towing a distance not exceeding  $3\frac{1}{2}$  miles to the dumping ground and the contractors are to accept one cent per cubic yard additional for every additional mile of tow that may be ordered.”

Q. In the weekly report returned to the department once a month, prepared and signed by the inspector, and certified by the engineer in charge, the distances hauled would be set forth? A. Yes.

Q. In what way would that distance be set forth? A. Mileage and fractions of mileage towed.

Q. As for instance? A. As for instance 3.7 or 3.6.

Q. Meaning  $3\frac{7}{10}$  or  $3\frac{6}{10}$  as the case might be? A. Yes.

Q. Where the towing distance was more than  $3\frac{1}{2}$  miles from the mouth of the Mission river or more than 3 miles from the mouth of the Kaministiquia river to the depositing point, how would the allowance be made if the extra distance were less than a mile or less than two miles or less than three miles as the case might be? A. In every case where the distance towed was greater than the distance prescribed, a full cent per yard was charged and allowed no matter how small the excess distance might be if the excess distance was a mile or less than a mile; and similarly, if the excess distance were more than a mile and less than two miles, two cents would be allowed although that excess might be only  $1\frac{1}{10}$  miles.

Q. You mean to say that the full allowance for a mile was allowed in every case, although the excess distance towed might be only one-tenth of a mile? A. Yes.

Q. Does any question appear to have been raised, so far as the records examined by you go to show, on the ground that if the excess distance were only a proportion of a mile, only a proportion of a cent should be allowed per yard? A. No.

Q. You have seen nothing in the records to show that the department has ever questioned that point? A. No. The bills of the Great Lakes Dredging Co. have been passed as rendered.

Q. The claim of the company for extra haulage has in every case been allowed by the engineer in charge? A. Yes.

Q. Have you noticed any objection made by the Auditor General's department or by any person else upon that point? A. No.

Q. Of course such an objection might have been made and put in the records of the department without your seeing it in the dredging branch? A. Quite so.

Q. In 1909 the amount charged for extra towage appears by Exhibit 5 in the quantities dredged under contracts 5992, 7339 and 7170 to have been \$54,007.85? A. Yes.

Q. Can you tell me what would have been the amount allowed for extra towing on the quantity covered by Exhibit 5, if the contractors had only been allowed  $\frac{1}{10}$  for every one-tenth of a mile of extra towage? A. No, I have not yet worked that out. I have commenced the calculation of that amount but have not yet finished it, and will supply it at a later date.

Q. But have you gone far enough to know that the distance will be considerable? A. Very material indeed.

Q. Will it run up into some thousands of dollars? A. Yes, many thousands of dollars.

Q. You have been speaking about inspectors and engineers in charge. Who was the engineer in charge at Fort William in 1909? A. Mr. W. P. Merrick.

Q. And at Port Arthur? A. Mr. E. B. Temple.

Q. For work done under 7058 at Port Arthur who certifies? A. Mr. E. B. Temple.

Q. The resident engineer at Port Arthur? A. Yes.

Q. For work done under the other three contracts you have mentioned, 5992, 7339, 7170, the engineer in charge at Fort William, Mr. Merrick, would certify? A. Mr. W. P. Merrick.

Q. Then are there inspectors at Fort William? A. Yes.

Q. More than one? A. Yes, usually one for each dredge, a different man signed the weekly reports for each dredge.

Q. How many dredges would there be at work? A. There were 7 dredges working in the Fort William and Port Arthur district.

Q. Did each dredge always work at the same place or would they sometimes be moved from one work to the other? A. Mixing up, going from one port to the other.

Q. When you say there were 7 dredges, you mean 7 dredges operating in the two places under the Great Lakes Dredging Co.? A. Yes.

Q. Would these 7 dredges be all of the same general description or can you distinguish? A. One was different from the others, being a hydraulic dredge.

Q. Known as what? A. Known in the accounts rendered by the Great Lakes Dredging Co., as a suction dredge.

Q. What was her name? A. The *Enterprise*.

Q. All other dredges are what you call the bucket dredges? A. The ordinary elevator bucket type.

Q. You say that generally speaking, there would be one inspector for each dredge? A. Yes.

Q. Would the weekly reports show the number of trips made each day by each scow? A. No. The report would show for each day the number of scows employed that day with each dredge and the total quantity of spoil which had been so conveyed during the day.

Q. Then under the point of distance, would it show the distance each scow had gone? A. No, the distance for each tow, a number of scows behind the tug, the distance scows were towed during each day to the depositing ground from each dredge.

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Q. But if those scows made several trips during one day would it show the distance of each trip? A. Not the individual distance for each trip.

Q. It would simply make an allowance for the day of so much distance travelled by the scows? A. Quite so, that is it.

Q. And you could not distinguish for each trip of each scow? A. No.

Q. Consequently if, in fact one trip had been under the required distance and one or more over the required distance there would be nothing in the report to show which had gone under or which had gone over or how many had been under or how many had been over? A. Nothing to show.

Q. I presume you do not know who calculates the distances they have to travel? A. I am not aware.

Q. Or how it is calculated? A. I am not aware.

Q. You only know that the report as setting forth the distances is signed by an inspector and certified by the resident engineer? A. Quite so.

Q. Now then you say that although those reports are called weekly they are only received at the department once a month? A. Yes, so I understand.

Q. How often are the contractors' bills received? A. I cannot say.

Q. Would they be monthly? A. I presume they are rendered monthly.

Q. Is there any material on the records from which the department or the Auditor General can get behind and examine or audit a report once it is approved by the resident engineer in regard to dredging? A. No records that I have seen or that have been produced.

Q. Then so far as the system appears to you, once the resident engineer has certified the quantity, distance, extra allowance, or any matter of that kind, there is no possibility of an audit of that, here at Ottawa? A. None that I am aware of.

Q. Except, of course, a mere mathematical calculation the routine checking of extensions, &c.? Then would it be correct to say, to the best of your knowledge that so far as the Department of the Auditor General is concerned, they have to rely unquestioningly upon the certificate of the inspector and the engineer in charge? A. Yes.

Q. And if either an inspector or the engineer in charge were to make a mistake or to commit a fraud, there would be nothing here on the records from which that mistake or fraud could be discovered? A. Not so far as I have seen.

Q. Then the accuracy of the reports and therefore of the bills by the contractors depends upon the correctness of the estimate by which the quantities and distances are ascertained and certified in Fort William or Port Arthur? A. Yes.

Q. And you have already said that you did not know how those quantities are ascertained? A. Quite so.

Q. But you do know this and have already stated it that the contractor and the engineers have all adopted the principle of paying for a full mile even although it would be only one-tenth of a mile of extra towage and you have already stated that so far as you can see the Auditor General has not questioned that? A. Quite so.

Q. The value of the inspection would depend on the character and the ability of the inspector? A. Yes, distinctly.

Q. Both upon his honesty and upon his capacity to judge? A. Quite so.

Q. Payments are made generally upon one or other of two bases, what is called scow measurement, or in situ or place measurement. Is that not so? A. Yes.

Q. In Fort William and Port Arthur, is there any in situ measurement adopted except for the suction dredge? A. Yes.

Q. There is? A. There has been some.

Q. There has been some in situ measurement where the suction dredge has not been employed? A. Yes.

Q. In the main, however, outside of the suction dredge, the measurement is by scow, is it not? A. Usually by scow measurement.

Q. Has there ever been any scow measurement adopted with regard to the suction dredge? A. The suction dredge *Enterprise's* work has been paid for by measurement in situ.

Q. Was the work of the *Enterprise* ever paid for so far as you know, by scow measurement? A. No.

Q. When you talk of measurement in situ, you mean that the allowance is for a certain area dredged and paid for by the cubic yard as it was prior to the dredging? A. Yes, as surveyed.

Q. When excavation is to be made in situ the distance to be excavated is supposed to be measured out and marked, is it not? A. Yes.

Q. Cross-sectioned—A. And staked out.

Q. And the depth to which it is to be excavated fixed? A. Specified.

Q. And the cubic contents of that are calculated in yards? A. Yes.

Q. And then as that marked out place is excavated the quantity which has been excavated is allowed? A. Is measured up and allowed.

Q. And that is what is called in situ measurement or place measurement? A. So I understand.

Q. And in such measurement as that, it does not make any difference whatever how much water is taken out and put into the dredge because she is paid by the size of the place she has excavated? A. Quite so.

Q. What is known as scow measurement is paid for by the quantity which a scow can hold? A. The quantity which a scow can hold.

Q. Whether of water or spoil? A. I presume so.

Q. As long as she goes out with a load she is paid for by load, according to her quantity? A. Yes.

Q. But in practical work, where a scow is loaded by a bucket dredge, on the one side, or a suction dredge on the other, is there as much water in the scow in the one case as in the other? A. It is very rarely that a suction dredge is used for loading a scow. The spoil from the suction dredge is usually for depositing for the reclamation of waste land.

Q. Turning to contract No. 7170, for doing certain dredging in the terminal basin at the mouth of the Mission river, the specification to that contract in paragraph 2 provided for the dredging of a minimum of 1,000,000 cubic yards scow measurement each consecutive year until completed? A. Yes.

Q. And in the contract itself, to which the specification is attached, I find this set out, that in consideration of the agreement by the contractor His Majesty agreed to pay by scow measurement for rock \$2.85 per cubic yard, and for all other materials at 16 cents per cubic yard. But as an additional price for dumping dredge materials in structures and back of cribs, when rehandling is required, 18½ cents per cubic yard, rock \$4 per cubic yard, measured in situ, and all other materials, 25½ cents per cubic yard, measured in situ? A. That is so.

Q. With regard to those additional prices, do you construe them to include those three last prices, namely 18½, \$4 and 25½ cents respectively? A. No. I think additional prices referred only to the 18½ cents per cubic yard allowed for dredged material dumped into structures and back of cribs.

Q. Then you think that the \$4 for rock and the 25½ cents for all other materials, meant rock and materials in situ? A. Yes, that is the way I construe the contract.

Q. Can you tell me as a fact how those prices were allowed for by the engineer in charge when payments were made to the contractors? A. Yes, the suction or hydraulic dredge *Enterprise*, during 1909, appeared to have excavated 311,498 yards in situ which was allowed for at the rate of 25½ cents per cubic yard, the amount paid for that work being \$79,431.98.

Q. How does that rate per yard in situ compare with other rates paid for work done by the hydraulic dredge *Enterprise*? A. You will find by looking at contract 5992, a provision for work in situ done by the hydraulic dredge.

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Q. You are now referring to page 7 of contract 5992? A. Yes. I refer to the clause providing:

"That for the work to be carried out by the said contractors in virtue of the present contract in the Mission and Kaministiquia rivers in the province of Ontario at the rate of \$2 per cubic yard, scow measurement, for rock excavation—and at the rate of 9 cents per cubic yard for all other material same measurement, if classified under clause 2 in the specification hereto annexed and forming part hereof; or at the rate of 3½ cents per cubic yard measured in situ for rock excavation (class 1); and at the rate of 9 cents per cubic yard same measurement, for all other materials (class 2) as above specified, and when the hydraulic dredge is used in the performance of the works."

How do you construe the latter part of that provision? A. I take it to mean that when the hydraulic dredge *Enterprise* is used in excavating materials other than rock, she is to be paid at the rate of 9 cents per cubic yard in situ.

Q. Well, then, it appears from that that under contract 5992, the 9 cents per cubic yard in situ was to be paid to the *Enterprise*, for the same class of materials as was paid for at the rate of 25½ cents per cubic yard in situ under contract 7170? A. Yes.

Q. What difference would it make as far as the amount of payment is concerned, if the same quantity of cubic yards, dredged hydraulically by the *Enterprise* was charged and allowed for at 9 cents a cubic yard in situ instead of 25½ cents per cubic yard in situ? A. In that case the allowance would have been \$28,034.82, or \$51,897.16 less than was actually allowed.

Q. Where was the material placed which was dredged by the *Enterprise* in 1909, under contract 5992? A. In that year no material in situ was dredged by the *Enterprise* under contract 5992. It may have been in other years but I think not around that point.

Q. In the Mission river? A. Yes.

Q. Where was the material deposited which was dredged by the *Enterprise* in 1909 under contract 7170? A. It was deposited on Grand Trunk Pacific water lots in the Mission river at Fort William.

Q. What change in prices was made by the amending contract No. 7339? A. The purport of that contract is to provide for deepening the channel from 22 feet to 25 feet, and the price for doing so for that additional 3 feet was increased from \$2 to \$2.85, and from 9 cents to 22½ cents per yard for all other material. Both rock and other material were by scow measurement. For the uncompleted areas, which had been provided for by contract 5992, the price was raised from \$2 up to \$2.40 per yard for rock, and from 9 cents per cubic yard to 10½ cents per cubic yard for all other materials, both rock and other material to be by scow measurement. It was also provided in the amending contract as follows, for in situ excavation:

"All other material than rock, 10½ cents per cubic yard, if hydraulic dredge is used."

Q. How do you construe that arrangement? A. I think it means this, that the first prices I have just quoted apply to a deepening of three feet over an area where there was already 22 feet of water. I think that the second prices just quoted applied to the whole uncompleted area under contract 5992.

Q. You mean to say that if a part of the area covered by contract 5992, had not been dredged at all or had been only partly dredged, the increased prices would apply to that uncompleted area? A. Yes, that is how I understand the provision of the contract as to the second order of prices. I should further add that for that extra 3 feet to deepen the water to 25 feet, where the area was uncompleted, under contract 5992, the contractors would only get 10½ cents for that extra three feet.

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Q. Then the contract appears to be this: That where under contract 5992, a depth of 22 feet had been reached, it was provided by the new contract that the contractors were to receive 23½ cents per yard for deepening 3 feet more? A. Yes.

Q. It also appears, however, that where there was an area provided for by contract 5992, which the contractors had not completed, the contractors were to receive 10½ cents for all spoil down to a depth of 25 feet? A. Yes, that is so.

Q. Then how do you understand the provision regarding the hydraulic dredge?  
A. If any portion of the dredging was done by the hydraulic dredge *Enterprise*, the work would be paid for at 10½ cents per cubic yard, measured in situ.

Witness retired.

The Commission adjourned.

OTTAWA, TUESDAY AFTERNOON, February 20, 1912.

PRESENT:

Honourable A. B. MORINE,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

WILLIAM DUNLOP, chartered accountant, of the city of Ottawa.

The examination of Mr. DUNLOP was resumed.

*By the Chairman:*

Q. Mr. Dunlop, I want to commence this afternoon, by drawing your attention to some matters, in connection with your report, dated February 13, concerning those contracts 5992 and 7339. Contract 5992, you will remember, provided for scow measurements, and in situ measurements? A. Yes.

Q. It said that scow measurements should be \$2 for rock and nine cents for all other material? A. Yes.

Q. And it also said that in situ measurements should be \$3 for rock and nine cents for all other material? A. Yes.

Q. Now then, in the matter of prices, contract 7339 purported to change the rate? A. Yes.

Q. And it first provided for deepening to twenty-five feet where the water was already twenty-two feet? A. Yes.

Q. And then, it further provided for deepening the unfinished portion of the work which had been contracted for by contract 5992? A. Yes, the uncompleted area.

Q. With regard to that unfinished portion of the work, it provided that scow measurements should be paid for at the rate of \$2.40 for rock, and ten and a quarter cents for all other material? A. Yes.

Q. And then the in situ prices should be ten and a quarter cents per yard for all other material than rock? A. Yes.

Q. Well, the net result of that would be this: with regard to the unfinished portion of the work provided for under contract 5992 that the price scow measurement was raised for rock from \$2 to \$2.40? A. Yes.

Q. And from nine cents to ten and a quarter cents for all other material? A. Yes.

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Q. And that with regard to in situ measurements the price was raised from nine cents to ten and a quarter cents? A. Yes.

Q. That is the effect of the two? A. Of the two contracts, yes.

Q. The proviso in contract 7339 for the payment of \$2.85, first for rock, and twenty-two and a half cents for all other material, both scow measurement, referred to the class of work which was not under contract 5992 at all? A. Yes, so far as I understand it.

Q. Was twenty-two and a half cents per cubic yard paid for any dredging whatever, in the dredging season of 1909? A. Yes, on 571,129 yards.

Q. Do the accounts of the Dredging Company, certified to by the resident engineer, show whether, in all cases, this large amount of dredging was from the area which was being deepened from twenty-two to twenty-five feet? A. No; the accounts do not distinctly state the fact, except in two instances.

Q. And these two instances amount to how many yards? A. 69,738 yards.

Q. So that 501,391 cubic yards, charged for at twenty-two and a half cents, are not certified to, in express words, to have been applicable to the deepening by three feet? A. No, sir.

Q. And in the same year bills were being rendered by the Dredging Company, certified to by the resident engineer, for dredging at ten and a quarter cents? A. Yes.

Q. With allowance, from time to time, for extra towing? A. Yes, sir.

Q. From that, you would conclude, that the whole 571,129 yards, paid for at twenty-two and a half cents was really in the deepening from twenty-two to twenty-five feet, and that the words 'For the extra three feet' must have been omitted accidentally from the bills? A. That is what I judge.

Q. That is what you judge from the surrounding circumstances? A. That is what I judge from full examination.

Q. Have you examined the reports of the inspectors, upon which these bills were made, to ascertain whether the reports show whether it was for extra deepening? A. Yes.

Q. Do the inspectors' reports show? A. The inspectors' reports do not show whether it was for the extra deepening or not.

Q. Do you mean to say that looking at the inspectors' reports for all the work done you cannot tell from them alone whether it was upon work that should have been paid for at twenty-two and a half cents or at ten and a quarter cents? A. No.

Q. There is nothing in the reports to show that distinction? A. There is nothing in the reports to make the distinction.

Q. And except in the two cases mentioned, nothing special in the certified bills to show it was for the extra three feet? A. Except the price charged.

Q. Then neither in the inspector's report, nor in the certificate of the resident engineer, is it anywhere expressly set out, in so many definite words, that the dredging paid for at twenty-two and a half cents was all in the area for which that price was contracted? A. No.

Q. Then there is something in the omission, which ought to have been the subject of inquiry? A. Yes.

Q. Now, except that the dredgers were claiming twenty-two and a half cents with an extra allowance for towage, and that the resident engineer certified that the Bill was correct, there would be nothing in the inspector's report or in the engineer's certificate to assure the Auditor General's Department that the bill was a correct one? A. Nothing that I can see.

Q. Does it appear to you whether the hydraulic dredge was used on the deepening from twenty-two to twenty-five feet, under contract 7339? A. It does not appear to me that she was.

Q. Do you know from the bills and reports, whether the hydraulic dredge was used at all in any other way except to fill up the land with the spoil she dredged?  
A. No.

Q. You don't know? A. I do not know. I want to explain this. Her spoil never is used for anything but filling up work.

Q. Do you mean to say that the spoil from the hydraulic dredge could not be disposed of on a scow and carried away? A. It could, but it would not pay to do it, for the simple reason that a hydraulic dredge pulls up about seventy-five per cent of water all the time, and less than twenty-five per cent of real spoil, and the scows would be detained, and the tugs would be detained.

Q. Could not the spoil and water be deposited in the scows and the water allowed to run off? A. It is not often done; ordinarily, the hydraulic dredge is used for filling.

Q. Would that imply that a hydraulic dredge would have to be used within a short distance of the place where she is to deposit her soil? A. Yes, usually the connecting pipe is lengthened according to the place where they require the soil deposited.

Q. It could never be put at a very great length, I suppose? A. I would judge not.

Q. During the dredging season of 1909, was the Great Lakes Dredging Company paid for work done by the hydraulic dredge under any other contract than 7339?  
A. Yes, sir, under contract 7170.

Q. That contract was dated February 27, 1909, and was for deepening the terminal basin at the mouth of the Mission river? A. Yes, sir.

Q. With reference to that contract 7170, have you yet discovered any reason, from your perusal of the papers or otherwise, which explains why twenty-five and a half cents per yard in situ was allowed under that contract, when under 7339 in situ was paid for at ten and a quarter cents? A. No, sir, none.

Q. There may be some explanation which the engineer could give? A. Yes, but I am not in a position to give it at the present time.

Q. Since you were last here you have been paying some attention to the work at Rainy river, Ontario? A. Yes.

Q. And you have to-day submitted a report with reference to that work covering your operations up to last night, the 19th of February? A. Yes.

Q. You say that no contract was signed with the Rainy River Company for the work done during 1909? A. None. There having been no contract I asked for the files regarding how the matter was done and by referring to the necessary correspondence that passed from the chief engineer right down to the resident engineer and telegrams between them, I found that there was no contract but that the rate had been agreed upon. I found that Mr. Merrick, the engineer in charge, fixed the price at twenty-five cents per cubic yard. I have no knowledge that the contractors agreed to that.

Q. You have knowledge that the contractors presented their bill at that rate?  
A. They rendered a bill at twenty-five cents. They did not get the money until May, 1910.

Q. Then did they take the money? A. They got the money plus twelve cents more.

Q. You speak of Mr. Gilman Brown, who is he? A. He was the assistant chief engineer before Mr. A. R. Dufresne. Mr. Brown died and then Mr. Dufresne was called in from Winnipeg. In the spring of 1910 tenders were advertised for and one was received from Mr. A. F. Bowman of Southampton for the Rainy river work. It was for forty-seven cents, but by negotiations between the department and Mr. Bowman that price of forty-seven cents was reduced to thirty-seven cents, and the bill for the previous year which had not been under any contract was also paid for at the thirty-seven cent rate.



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*By Mr. Lake:*

Q. Who are the Rainy River Company? A. I do not know.

*By the Chairman:*

Q. What was the total excess amount paid to the Rainy River Company for work done in 1909 over the rate of twenty-five cents? A. \$6,857.28.

Q. Did I understand you to say that there was actually a bill from the contractors for the work done in 1909 at the rate of twenty-five cents? A. Yes.

Q. Made out apparently at the contractors office? A. Yes, and certified by Mr. W. D. Merrick.

Q. But not paid at that time? A. Not, I understand paid at that time.

Q. Did you notice any letter in the correspondence whereby the contractors forwarded that bill and claimed payment? A. No.

Q. Did you notice anything in the correspondence as to why that amount had not been paid at the time the bill was rendered? A. In a previous bill dated "Fort William, November 12, 1909, Public Works, Canada, debtor to the Rainy River Dredging Company for \$14,286 certified "prices fair and just," by W. P. Merrick, resident engineer," and passed by the dredging branch on November 16, 1909, but subsequently cancelled. I also submit a bill, dated Fort William, May 27, 1910, Public Works, Canada, debtor to the Rainy River Dredging Company for the work done in 1909, also certified "prices fair and just" by W. P. Merrick, resident engineer; the latter bill is for dredging charges on the same basis in 1909 as the former bill, and for the same quantity of cubic yards, but the second bill is for thirty-seven cents, whereas the first bill is for twenty-five cents per cubic yard. The increased amount is \$21,143.28, or \$6,857.28 more than the former bill.

Q. The second bill is marked across its face "corrected copy"? A. Yes.

Q. And across the face of the first bill there is written in red ink the following "cancelled and account at thirty-seven cents substituted; instructions of Assistant Deputy, 31st May, 1910. W." What does the letter "M" mean there? A. The initial of the clerk, H. M. Walters, in the dredging branch.

Q. Did you notice any order in council on the file, authorizing the change from twenty-five cents to thirty-seven cents for the work done in 1909? A. No, I cannot find any order in Council.

Q. There has been a vote of parliament of \$60,000 to cover the dredging in the Rainy river? A. Yes.

Q. And taking the amount paid Bowman in 1910 with the amount paid in 1910 to the Rainy River Dredging Company for the work done in 1909, the total expenditure amounted to \$59,737.61? A. Quite so.

Q. So that they got within \$262.39 of the total appropriation? A. Yes, sir.

Q. Is there any explanation on the files, so far as you noticed, from Mr. Merrick the engineer in charge as to why he certified thirty-seven cents as fair and just for the same work for which he had previously certified twenty-five cents per yard as fair and just? A. I have seen none. On April 22, 1910, two months before the bill was passed at thirty-seven cents, Mr. Merrick wired the chief engineer:—

"I consider twenty-five cents per cubic yard a fair price for Rainy river work."

Q. You have paid some attention to contract 6250 dated April 5, 1907, whereby A. F. Bowman undertook to do certain work at Sault Ste. Marie? A. Yes.

Q. Was there any specification as to the distance to which towing was to be done? —A. No. not that I have seen.

Q. Do you know whether anything was paid under that contract for extra towing? A. No.

Q. The dredging was supervised by the local inspector apparently? A. Yes.

Q. And the only other certificate was by the assistant engineer at Toronto? A. Yes.

Q. Most of the price paid was for rock? A. Yes.

Q. At scow price and not in situ price? A. Yes.

Q. Was the work done in 1910 by Mr. Bowman amounting to \$86,134.17, for dredging and excavation, paid for under the same contract? A. I understand the prices fixed by that contract were continued.

Q. Of the 27,118 cubic yards dredged and excavated, 23,750 yards were charged for as rock at \$3.15 per yard. Now, excavation of rock in situ measurement ought to be very easy to arrive at? A. Yes.

Q. Compared with the excavation of clay material? A. I would think so.

Q. Furthermore, the scow measurement on rock would be comparatively difficult, would it not? A. And indefinite.

Q. Uncertain? A. Uncertain.

Witness retired.

OTTAWA, TUESDAY, February 27, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

Examination of ALEXANDER R. DUFESNE, of the City of Ottawa, assistant chief engineer of the Public Works Department.

*Examined by the Chairman:*

Q. Your position is that of assistant chief engineer? A. Yes, sir.

Q. You have been in that position how long? A. Since June, 1910.

Q. Was that your first entry into the permanent service? A. Yes.

Q. And prior to that you had been engaged where? A. I was district engineer for the Department of Public Works in Manitoba.

Q. For how long? A. Since 1906.

Q. You are a civil engineer by profession? A. Yes, a graduate of McGill University.

Q. And before occupying that position in Manitoba, what were you? A. I was for a year and a half in charge of test boring parties on the Georgian Bay Canal survey.

Q. Now, as assistant chief engineer, you have had special charge since your appointment to the permanent position of the dredging works of the department? A. Well, not exactly, I was put in charge of the dredging department only in October, 1910.

Q. And prior to that, you had been assisting generally in the work of the department? A. Yes.

Q. But since the month of October, 1910, you have been specially connected with dredging? A. Yes, I have had special charge of dredging, both departmental and contract dredging, since that time.

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Q. Of all the dredging, in other words, under the control of the Department of Public Works? A. Exactly, yes.

Q. And have you had anything else to attend to for the department, other than dredging, since the month of October, 1910? A. Considerable of the work I was engaged on, out in Manitoba—very often, as a general rule, that was referred to me, especially one work I had had charge of at St. Andrews, the locks and dams.

Q. Has that been steadily progressing? A. That was completed a few months before I left Winnipeg to take this position down here. I went out to Manitoba in 1902 to take charge of that work, and was there for a year and a half, came back to Ottawa, and was on this Georgian Bay Canal survey, that I referred to a few minutes ago, and eventually went out to Manitoba in 1906 to take charge of the department's work for the province, and particularly the completion of this St. Andrews lock and dam which was completed just prior to my coming down here in 1910.

Q. But, speaking generally, with regard to the greater portion of the work you have had to do since October, 1910, your position might better be described perhaps as that of engineer in charge of dredging? A. Exactly.

Q. Because the term assistant chief engineer would imply that you were assisting the chief engineer in the ordinary work and in all the work of his department, whereas you have really had especial charge of this matter? A. Exactly.

Q. Now, the dredging under the department, is divided into work done under contract by private companies or individuals and work done by government dredges? A. Yes, sir.

Q. That is to say, dredges owned by the government and operated in various parts of the Dominion of Canada? A. Yes.

Q. Now, as to the first, or contract dredging, the actual execution of a contract dredging would be under the resident engineers in various parts of the Dominion, would it not? A. Yes.

Q. And, in the first place, you would have to do with such work in calling for tenders? A. Yes, sir.

Q. Would you have to do with the drafting of specifications? A. Yes, sir.

Q. And then when the tender was accepted and the contract drawn out—who would attend to the actual drawing of the contract? A. The contract itself would be drawn up by the law clerk.

Q. And would you have anything to do with its actual preparation? A. No, the contract is the usual form being a part of all contracts, a form of indenture that is used for all contracts.

Q. And which is to be filled in in writing? A. Exactly.

Q. And which refers to the specifications in all cases? A. Yes, the specifications form a part of the contract.

Q. Then, when the law clerk had drafted out the contract, would it come before you for examination or would it simply go to the minister or deputy minister and be signed? A. In the minister and deputy minister. I never signed any contracts.

Q. You do not examine them for any purpose whatever before their execution? A. No, with the exception of the specifications that form a part of the contract.

Q. And those are prepared before the tender? A. Yes.

Q. But I mean, after the tender is made and when it is accepted and the contract is to be made out, you have nothing to do with those formalities at all? A. No, sir.

Q. Your next step, I presume, is to inform the resident engineer of the fact that the contract has been made—is that done through you? A. Yes, sir.

Q. And then the correspondence that takes place with the resident engineer, relative to dredging—does that come through you? A. Yes, sir.

Q. In all cases? A. Yes.

Q. And all letters that come from him to you, do they come to you? A. Yes.

Q. To whom do you report, Mr. Dufresne? A. To the deputy minister.

Q. You report straight to the deputy minister? A. Yes.

Q. And with reference to dredging matters, your connection with the chief engineer is purely nominal? A. Yes, sir.

Q. The actual work is carried on between you and the deputy minister? A. Exactly.

Q. Consultations with regard to the contract, and so forth? A. Yes, with very few exceptions. An exceptional case now is the Courtenay bay work. That is a very large work which consists mostly of breakwaters, wharfs, dry dock, &c., but incidental to that is some dredging. It is not thought proper in a case of that kind to differentiate that small amount of dredging and to put it under my notice. There are one or two cases of that kind.

Q. Then, it might happen, that when the work of dredging is being done in connection with some other work there would be consultations between yourself and the chief engineer? A. Yes.

Q. But in case of plain straight dredging you simply consult with the deputy minister about it? A. In every case.

Q. Well then, the work commencing and going on under the charge of the resident engineer, when accounts are sent in by the contractors, they are of course sent by the resident engineer, do they come straight to you? A. Well, if you will allow me one moment. Since I have been in charge there, or some time prior to my taking charge, no accounts come directly from contractors.

Q. No, from whom then do they come? A. For some years, we will suppose the dredging is being done by scow measurement, and weekly reports are sent by the inspector placed there by the department.

Q. Are they sent straight to you? A. Straight to the department, straight to my office.

Q. Addressed to you? A. Yes, they are addressed to me.

Q. Addressed direct to you? A. Yes, sometimes they are addressed to the superintendent of dredging, but a certain man in my office has charge of all those reports.

Q. In your office, or the dredging office? A. In the dredging office.

Q. That is Mr. Walters? A. Yes.

Q. Well, Mr. Walters, while he is under you, is down in the office of the assistant superintendent of dredging? A. Yes, reporting to me.

Q. He has a desk in the office of the assistant superintendent of dredging, has he not? A. Yes.

Q. And reports to you directly? A. Yes.

Q. Then all the work done by Mr. Walters has nothing to do whatever with the work done by the assistant superintendent of dredging? A. No sir, that is since a year.

Q. Then who certifies the weekly reports that come in to you when the contractor makes up his bill? A. The contractor never makes a bill out now, and not for some years.

Q. How does he get paid? A. The inspector's weekly reports are certified to by the district engineer, who eventually sends them to Ottawa. These are entered up by Mr. Walters who eventually prepares progress estimates.

Q. Are those estimates sent to you regularly? A. They should be monthly estimates and they are generally monthly estimates, but if, for some reason or another reports are held back, it is not absolutely necessary that they should be made every month, but contractors, as a rule, expect monthly payments, and they are generally known as monthly progress estimates.

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Q. Then the practice in your department would be to pay once a month? A. Exactly.

Q. Well, would the cheque for that, together with the statement be sent from your department on application by the contractor? A. Yes.

Q. In the regular course? A. Yes.

Q. Would a statement be sent with the cheque showing for what amount it was allowed? A. I don't quite understand that question.

Q. Would Mr. Walters prepare a statement of the amount which was allowed and for which a cheque was being sent, and would that be sent with the cheque? A. The statement does not go to the contractor. The statement, which is a progress estimate, is transmitted by Mr. Walters to me. A certain amount of checking over of this estimate is made in my office to ensure or safeguard that it is all right, beyond Mr. Walters' work, and then it is transmitted to the deputy minister who sends it to the accountant. After the progress estimate has passed through my hands, it does not matter to me, or I do not follow it up very closely. I assume that my part of the work has been done.

Q. Now, the weekly reports that are sent in by the inspector, are they always certified by the resident engineer as they come in under the present practice? A. I believe so, I do not examine every weekly report myself. I ask Mr. Walters, who is not supposed to accept any weekly report unless it is certified by the district engineer.

*By Mr. Lake:*

Q. Don't the contractors send in any accounts of their own accord? A. Absolutely no, not since my connection with the department.

Q. They initiate no accounts whatever—I mean they do not act on their own initiative in this matter? A. The department do you mean?

Q. No, the contractors? A. Not that I have ever heard of.

*By the Chairman:*

Q. The forms for weekly reports at present in use do provide for a certificate by the engineer in charge, I see, as well as by the inspector? A. Yes, sir.

Q. And the inspector has to make a declaration of the accuracy of the report before a justice of the peace? A. Yes, sir.

Q. Have you had any instances in your experience in which a suit has arisen between the contractor and your department, as to the quantity dredged? A. Yes, there have been a number of them.

Q. And this would be shown by the correspondence on file, I suppose? A. Yes, sir.

Q. The weekly report is made by the inspector usually? A. Yes, sir.

Q. Who is at the work? A. Yes.

Q. Well, where more than one scow is being employed on a large job, say at Fort William, is there more than one inspector employed? A. No, sir, not as a general rule.

Q. And of course the engineer in charge of the work has to reply upon the accuracy of the reports by the inspector? A. Exactly.

Q. Because he cannot be there to count the number of trips that were being made by scows or to see the quantity which the scow has in her every trip she makes? A. No, he has to rely on the inspector.

Q. Absolutely? A. Yes.

Q. Now, these inspectors are never permanent employees of the government? A. Not to my knowledge.

Q. With a regular salary for instance? A. No.

Q. I presume they are nominal appointees of the government by the engineer in charge? A. Yes, sir.

Q. Who pays the inspectors, for instance—how are they paid? A. They are paid by the department.

Q. Well, the money is provided by the department to pay them, of course, but where do they get their cheques? A. The district engineer makes out a salary account or a wage account for the inspector, certifies this account, and transmits it for payment.

Q. Well, would an inspector receive the information that he was employed from the resident engineer? A. Yes, sir.

Q. Well then, nominally the work of employing inspectors is done by the resident engineer? A. Yes, sir.

Q. But, in fact, how is the actual selection made? A. The inspector is nominated by the local member of parliament.

Q. If he is a supporter of the government? A. Yes.

Q. And if he is not a supporter of the government, by some one representing the other side? A. Yes.

Q. The defeated candidate or some one of that kind? A. Yes, sir.

Q. Now, does the resident engineer get his order to employ a particular man through you or does he get his instructions just locally and inform you that he has employed that particular man? A. It is done in both ways. Sometimes I instruct the district engineer to apply to so and so for the name of a competent inspector and on other occasions I am informed that such a party is to be appointed, and I notify the district engineer to appoint the man, providing the man is qualified in every respect.

Q. In such a case as that you give him the name of the man? A. Yes, I give him the name of the man in such a case.

Q. And you tell him to employ that man if he thinks he is qualified? A. Absolutely, and he is always instructed to appoint the man provided the man is competent and qualified.

Q. Now, you receive the nomination of a man of that kind from individuals outside the department direct to yourself? A. I never correspond with any members or any person else regarding these inspectors. In the cases where I instruct the district engineer to employ a certain party, this name has been given to me by the deputy minister or some one above me in the department.

Q. You never receive representations directly to yourself from members or other persons outside of the department? A. I do not recollect any just at present. There may be, but I do not recollect any.

Q. When you receive instructions that A, B or C is to be appointed to such a position, do you get those instructions verbally, or in writing, or in both ways? A. Generally in writing.

Q. You generally get these instructions in writing? Yes.

Q. And you keep files? A. Yes.

Q. Files of all correspondence? A. Yes.

Q. Then, in any case in which you have received instructions in writing to have such a person appointed, you would have the letter in your office and then the files will show that? A. Yes, sir.

Q. But, as you say, where you have not sent the name of the man, or have not instructed the resident engineer to ask Mr. so-and-so for the name of a man to appoint, there are cases, I suppose, in which Mr. so-and-so may have spoken to the resident engineer directly? A. In the great majority of cases, the district engineer is instructed to apply to so-and-so for the name of a competent inspector.

Q. Isn't he instructed by you? A. There are very few cases in which I have instructed the district engineer to appoint so-and-so. Almost in all cases he is instructed to apply to so-and-so for the names.

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Q. And your letter of instructions, the draft letter of instructions to that effect, will also be on file? A. Yes, sir.

Q. Now it has been a recognized principle, ever since you have been in the office, that the nomination of inspectors was a political matter? A. Yes.

Q. A matter of patronage in the hands of the friends of the government? A. Yes, sir.

Q. Now, do you know what precautions are taken by the resident engineer, if any, to inquire into the qualifications of an inspector? A. No, sir.

Q. There are none prescribed or laid down, I suppose? A. No, sir.

Q. What I mean to say is, that there are no instructions to district engineers of the procedure which they are to follow in order to find out the fitness of any particular man to be an inspector? A. No, sir.

Q. And as a matter of fact does the district engineer accept the nomination that is made to him? A. In the majority of cases, at least, I cannot say positively, I do not follow the matter up. I rely that my letter of instructions asking him to apply to so-and-so for the name of a competent and qualified inspector, that he has taken the precautions himself to see that the man is qualified.

Q. But you see if you tell him to apply to so-and-so for the name of a qualified and competent person to act as inspector that may be a different matter from telling the district engineer to inquire himself into the qualifications of those persons, because that form of letter would imply that the men to whom application is to be made for the men, and that those men are to be the judges of the qualifications? A. Well, I would like to exhibit a typical letter of instructions.

Q. Well, will you take a note to supply to us your typical letter of instructions? A. Yes.

Q. Now, has it ever come to your notice, that any dispute has arisen between the district engineer and the person nominating an inspector over the qualifications of the person nominated? A. No, I cannot recollect any.

Q. Do you know of your own knowledge if the district engineer takes it upon himself to exercise any real discretion in the selection of an inspector? A. I don't know what steps the district engineer takes.

Q. And one man may do one thing and another man may do another thing, of course? A. Yes.

Q. Now, those inspectors, judging from what you have told us, have a tremendous amount of responsibility really? A. They have a great deal of responsibility.

Q. And many hundreds of thousands of dollars are being paid out every year on their certificates? A. Collectively, yes.

Q. And in cases like Fort William and Port Arthur, for instance, and some other large places like Tiffin, actually the payment authorized by inspectors is very large? A. Yes, sir.

Q. What wages are given to inspectors? A. Three, and in some cases four, dollars a day.

Q. Their jobs are for a short period each year? A. For a short period, yes, possibly five or six months in some cases.

Q. And do they get paid for every day after the dredging begins, whether it is a day the dredging is going on or not? A. Yes, except Sundays.

Q. Or holidays, I suppose? A. Yes, or holidays.

Q. Then, they are necessarily men who have no permanent employment? A. I would judge so.

Q. In the majority of cases that is so? A. Yes, I would judge so.

Q. Are you satisfied, having regard to the importance of this duty and the room for fraud, that the system of selecting these inspectors is a proper and satisfactory one? A. I do not believe the system is a proper one.

Q. Don't you think the greatest precautions ought to be taken to find men whose honesty and capability are proven beyond a doubt before being given such employment? A. Precisely.

Q. And that under the present system is not being done? A. I don't think so.

Q. You are not personally responsible for the system? A. No, sir.

Q. You found it there when you came into the department? A. Yes, sir.

Q. And it has been continued from political necessity, political pressure? A. I presume that is the reason.

Q. As the man in charge of this thing, have you ever suggested any change? A. Not in writing.

Q. You have verbally? A. Verbally, yes.

Q. You have protested against it, I presume, as being a very dangerous practice? A. I protested against the method, inasmuch as I attempted to bring in a new system of payment for dredging by place measurement, and that was the principal objection I had to the whole system, the method of inspection.

Q. The scow measurement inspection left so much with the inspector that looking at the way inspectors were chosen you felt that the in situ principle was the right one? A. Exactly.

Q. But have you ever made representations concerning the need of greater care in choosing inspectors? Even under the scow measurement? A. No, sir.

Q. Well, can you offer any explanation as to why you have not pointed out this obvious danger? A. Well, the dangers of the present system are assumed dangers on my part. I have no positive proof that the inspectors who are appointed are not competent and qualified. I have an idea that these men are not qualified and not competent, but I have no distinct proof that they are not.

Q. But don't you think it really ought to be the other way in a matter of such importance, that proof should be given that men are competent and qualified rather than proof that they are not competent and not qualified? A. I rely on the district engineer for choosing men who are capable. A number of occasions have arisen where it has been brought to my attention that the men have been neglectful in their duties and absolutely, in every case, I have taken the matter up with the district engineer, and I have told him that if he was not satisfied that this man was competent that he should be discharged immediately. There are a number of cases of that kind. Absolutely, in every case that has been brought to my attention that any inspector was not competent or was neglectful of his duties, the district engineer has been instructed by me to dismiss him.

Q. Is not the best explanation, however, of your silence against the system, that its dangers are perfectly obvious from the very nature of the manner in which the inspectors are appointed, obvious to everybody I mean, that such a system of choosing inspectors was careless and not adequate? A. The system would be all right if we were sure we would get the proper men.

Q. Yes, but that is the difficulty, is not the system in its very nature, one which makes it uncertain whether we are getting the proper men, and therefore it is an obvious weakness of the system which anybody could see.

Q. And now that you have mentioned the subject, the objection to the application of the in situ or place method of measurement in the expense involved? A. No, not exactly. There have been no serious objections to the place measurement system. The place measurement system was brought into force in a number of contracts last season for the first time. There are naturally a great number of places where the in situ system is not applicable, and for very good reasons. The place measure system devolves entirely upon being able to take soundings before any work is done, and the taking of soundings after the work has been completed. In the event of your having a contract for dredging, in a locality where the nature of the material is of a shifting nature, and



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storms are likely to cause differences in the position of the bottom, the place measurement system is not very applicable to that. But, before bringing in the place measurement system I sent a circular letter to all our district engineers, pointing out to them the great advisability of calling for tenders on a place measurement basis, and asking them to indicate what places we could do this place measurement dredging on. They replied, giving me a list of all those places where the place measurement system would be better, and those are the places where we called for place measurement.

Q. I saw it was stated in parliament the other day that the place measurement system had not been generally adopted because it involved great expense in taking the measurement? A. That I do not believe at all. There is a greater expense and it takes more time, but to my mind what is gained will far more than pay any extra expenditure.

Q. Your resident engineer on a particular place could measure the quantities in that place without much difficulty in most places? A. Yes, in most places where it is suitable. Of course, in some places there is great trouble, depending on the local conditions.

Q. But the resident engineer being always necessarily around there, it would not add very greatly to his duties in a suitable place to have the place measurements made? A. No, beyond the possible hiring of and the employment of one or two extra engineers' assistants.

Q. One or two assistant engineers? A. Yes.

Q. Where large contracts will be carried out the additional cost would be justified? A. Exactly.

Q. You say that during last year the place measurement system became more general than it had previously been? A. It was introduced absolutely for the first time last year.

Q. Was it in force in a number places last year? A. Quite a few places, especially in Ontario, some in Quebec, to a lesser degree in the maritime provinces, and that could be understood, because a considerable amount of dredging in the maritime provinces is of an exposed nature.

Q. And the amount of contract dredging there is not very large in comparison? A. No.

Q. But there are a number of places in which dredging is going on, where place measurement could be taken which so far have not been put under that system? A. Exactly.

Q. There are a number of places where dredging is being done under contract that were made quite a while ago? A. Yes, sir.

Q. Such, for instance, as Fort William? A. Yes, altogether likely Fort William.

Q. Where place measurement would be possible under a new contract? A. Yes, sir.

Q. Well then, where you institute place measurement, your inspector has nothing to do with the quantity that is taken away? A. The inspector has absolutely nothing to do with quantities upon which payments are made.

Q. But you would still have an inspector on the question of towage, would you not? A. Yes, and an inspector also on place measurement contracts, possibly as a check. In the first year this system was employed in the department last year, I preferred to safeguard ourselves against any possible claim from contractors with the place measurement system, while it was new, so I kept our inspectors on all place measurement contracts, in case there should be a future claim from the contractors, and also to look over the towage, and it might possibly be that a district engineer, rather than be obliged to make by a progress estimate every month from actual soundings, would be safe enough to make a progress estimate from scow returns, correcting the future progress estimates and in any case making the final measurements on the place measurements—do you understand?

Q. Yes, I understand you exactly. Then still, but in a lesser degree, the character of the inspector is an important matter? A. Not of nearly the importance as under the scow measurement system.

Q. No, because so far as the quantity is concerned, even if he went wrong on scow measurement he would be checked up by the place measurement later on? A. Yes.

Q. But, with regard to the towage, his honesty might be very important? A. Yes.

Q. You have observed of course that in a return from Fort William and Port Arthur and other places there is a constant succession of reports showing that the distance for towage provided for in the contract was exceeded? A. Yes, I noticed over-towage.

Q. Over-towage is claimed again and again and reported by the inspectors? A. Yes, sir.

Q. Now, can you tell me how an inspector could establish the distance where towage was done with accuracy? A. If there was any question in my mind as to distance I would look to the district engineer. I would hold him responsible for that.

Q. But the district engineer is not on the dredge or the scow when she is towing out? A. At Fort William the district engineer is resident on the spot there and has practically nothing whatever to do except to look after the dredging, and although he is not on each scow, he is in the neighbourhood, and it is his duty to mark out the dumping ground.

Q. How does he mark it? A. I don't know how he marks it in that particular instance, but possibly he has some buoys and I don't know exactly how he has it marked.

Q. If a dumping ground was marked by a buoy which was set out by the engineer, an inspector could tell from the buoy just exactly what distance the scow would tow? A. Yes, it would be a very simple matter for the district engineer to find out the distance to that buoy.

Q. But I want to draw your attention to this fact that in the Fort William returns the distances for over-towage are allowed in tenths of a mile. Now, two things occur to one right away. A tenth of a mile on water is a very short distance and a very deceptive one. If there had been no buoys or fixed marks put out to say where a scow was—you will admit that I presume? A. Exactly.

Q. And the next thing is this: can you explain how it is that where the distance is fixed in the contract, we will say at three and a half miles as the proper distance to which the rate applies, that it so frequently occurs that allowances are made for three and six-tenths and three and seven-tenths and three and eight-tenths for towage, just a little over the proper amount? A. Do you wish me to explain how it is?

Q. Does it not occur to you as being very remarkable, and can you explain why it should occur? A. I cannot explain why it occurs.

Q. Have you ever taken notice to the fact that it was occurring frequently? A. I have noticed some of those, yes.

Q. Well I want to tell you from returns we have had covering two or three years we find in every report, that by far the great majority of the stuff towed is towed beyond the limit mentioned in the contract, and more often than not only one-tenth or two-tenths of a mile beyond the limit. Now, why is it that the contract could not have given the specifications in such a way that the stuff could be towed a fixed distance, that is to have a fixed spot to which the towage would be taken, so as to avoid these excesses? A. It occurs to me that in such an important contract as that Fort William contract which covered work to be done over a considerable number of years that some special provision for over-towage should have been made.

Q. I want to ask you if your attention has been drawn to another thing, no matter how small a fraction of a mile it may have been over-towed or reported as being over-towed, the full mile has been allowed for every fraction? A. I do not remember clearly now, without referring to the specifications of the contract, itself,

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with regard to over-towing, without referring to it I am not sure of the statement I will make, but I think that legally, assuming that the distance was right.

Q. (Interrupting)—Do not give a legal opinion, Mr. Dufresne. I have just asked you if your attention has been drawn to that fact? A. No, it has not, I do not remember it exactly.

Q. Well, I want to tell you this: With regard to the main or larger contract, concerning Fort William and Port Arthur, there is a provision that towage has to be not exceeding three and a half miles, and one cent per yard for every additional mile? A. That is the way the specification reads, is it?

Q. Yes, that is the way the specification reads, a cent per mile for every additional mile, and the allowances have in all cases been for a full mile where the excess was one-tenth or two-tenths or whatever else it might be. Now, does that not strike you as being peculiar? A. The circumstances you relate do.

Q. That has not been drawn to your attention? A. No, sir.

Q. Well now then, I want to ask you this: Mr. Walters receives these reports and makes the calculations you have told us, and sends them to your department where they are checked. How does it come that that matter has not been brought to your attention? A. I do not know why it is. [Mr. Walters gathers these weekly reports, enters them up, and he certainly has a number of instructions of mine to be careful about all these reports. He makes the progress estimates up and before it reaches me it goes through the hands of another man in my office to check over Mr. Walter's returns. It goes through two hands before it comes to me, and I assume that it is right.

Q. Well then you cannot remember that the question I have just referred to, of the right of an allowance for the whole mile, when only a fraction of a mile was towed had been brought up? A. It has not been brought up to me, no.

Q. You remember no discussion on that point, Mr. Dufresne? A. No discussion whatever.

Q. Well, I draw your attention now to it emphatically that it has gone on, so you will have to inquire into it and raise the question. Many thousands of dollars in the past have been paid out to the contractors in that way, in the past few years? A. In the case of Fort William and Port Arthur, certainly we have a district engineer there who is in charge of the actual performance of the work. I assume that this man is clearly conversant with all the local conditions there. I assume that when he makes a report out that it is right. It comes down to Ottawa and Mr. Walters has instructions to see that these reports are all right, as far as the contract is concerned.

Q. Well now, as a matter of fact, has the corrections of the work done by resident engineers of district engineers been assumed in your department? A. No, by no means. Every time anything in any engineer's report gives me an idea that anything is wrong, the matter is always taken up with the engineer.

Q. Your department has no travelling inspecting engineer for the district engineers? A. We have an engineer who goes around occasionally.

Q. Who is he? A. Mr. Valiquette.

Q. Is he under the chief engineer? A. Yes, he is a sort of travelling inspecting engineer in case any trouble arises in connection with any contract.

Q. What I want to get down to is this: we will confine ourselves to this in the meantime, you personally reside here in Ottawa? A. Yes, sir.

Q. And your duties keep you here? A. Yes.

Q. And you are not able to go out and supervise what the district engineers are doing? A. No, sir.

Q. Now, I take it for granted, Mr. Dufrane, from what I have heard, that there is no instituted regular inspection of resident or district engineers from your office? A. Not very much, no.

Q. There has been incidental or casual inspection of something that has occurred? A. Yes.

Q. But as a regular or instituted thing there is no inspection? A. No, there is no regular system of inspection.

Q. And these different district engineers vary in quality and ability and every other way? A. I presume they do.

Q. You know that to be the fact from your actual experience—that some are able and some are not? A. I do not say that; some are more able than others.

Q. Then we will put it that way? A. Yes, I would not like to say that some are able and some are not.

Q. Now, just from the facts and matters that I have brought to your attention, do you not fancy that it would be advisable to have a regular course of inspection from the top down, over the district engineers, and the work that would be performed? A. Yes, sir.

Q. Somebody to go around and see that they were being kept up to their work, and perhaps that they had the proper appreciation of their work? A. Yes, sir.

Q. And to bring as it were the department itself and its views and ideas into closer touch with those scattered district engineers? A. Yes, I may say that personally I felt very much handicapped in my work last year owing to the fact that I was not able to go away and see more of those works.

Q. Of course, if you were going to put the dredging business under a better system, the probability is that you would yourself make at least one general visit to your resident engineers, if you could? A. Exactly.

Q. But after you had done that and had got your department going, your duties would keep you here pretty closely, and you really, I consider, should have inspectors? A. I really could not be very much away.

Q. And you really should have some thoroughly capable man in touch with you and inspecting the engineers themselves and their work? A. Yes.

Q. Co-ordinating with you as it were? A. Yes.

Q. Can you say now off-hand whether there are many dredging contracts made in the past which are still alive and effective for this year and the future? A. There are not very many, speaking off-hand, possibly two of the very largest contracts are of that nature, Fort William and St. John, New Brunswick. The new contracts are what are known as two year contracts and they have still next year, that is the coming season, to run, and there are cases of a few contracts that were let last year, supposed to expire on the 15th of December, 1911, which were not completed, and which possibly may be extended for the purpose of completing them.

Q. Will you kindly have a list of those contracts that have not been exhausted? A. That will be prepared.

Q. Thank you—well now, I suppose you will admit this, as a principle, that contracts should be made for some time and for some large quantities, spread over a time, as a general rule more satisfactory contracts could be obtained, I think more satisfactory prices? A. To spread the contract over a certain length of time, do you say?

Q. What I mean is this, laying it down as a general rule; if you knew you were going to have a certain amount of work done in a particular place or year over a considerable time, you could probably get better prices by asking tenders for that work? A. Exactly.

Q. So that it would be important if the plans of the future dredging could be taken up in some large way, thought out and laid down as a policy? A. Yes, sir.

Q. As, for instance, that could be dealt with with regard to the harbour at Tiffin, with a certain area, a large area to be dredged, and that could be offered for two, or three, or four years, a certain quantity per year to be taken out. Would you expect to get very much more competition and more satisfactory prices than if

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it were done year after year with a new tenderer every year? A. With a new tenderer every year?

Q. It would be better than with a new tenderer every year? A. Yes, on the principle that the larger the quantity the cheaper the price.

Q. On the principle that the larger the quantity the cheaper the price? A. Yes, sir.

Q. So, would it not be highly desirable if it could be done that way, where dredging is to be done which may be pretty large and pretty continuous, if a well thought out plan in each case could be arrived at? A. Exactly.

Q. And not merely, as in the past, asking for tenders this year, another one next year, and so on? A. No.

Q. But the latter has been the rule, has it not? A. I beg your pardon.

Q. It has been the practice in the past that these plans were not thought out? A. In some cases, yes.

Q. In most cases? A. Yes, in most cases.

Q. It has been only in one or two cases that what you would call a large quantity contract has been let, has it not? A. Well, I said a few moments ago that in most cases—I should not have said in most cases—you were referring a little while ago to Tiffin and Victoria harbour?

Q. Yes? A. These are cases where year after year we let new contracts where it would be better, in my mind, to think out some large scheme, and make a call for tenders for the whole thing. There are isolated cases though. As a general rule, we call for tenders where they will finish in a season.

Q. I find at Collingwood, for instance, that work has been done every year since 1900, without inspection? A. Last year also.

Q. Yes, in 1911 a small quantity, nearly six thousand dollars' worth, and the year before that a smaller quantity—no, that would be for the year ending 31st of March, 1911. Last year there was none? A. I do not know much about that; that happened before my time.

Q. Now, there is nearly six hundred thousand dollars that has been spent in Collingwood harbour in ten years? A. Going back ten years ago, I think it is only natural to suppose that no engineer or body of engineers could conceive at that time that the requirements would be for ten years, undertaking all that dredging.

Q. No, but surely for a harbour which has required work to be done every year for ten years, quite a large amount of work in each year, that is not merely speaking of something that is building in there, but it is evidently dredging out some large scheme, a channel or something of that kind? A. The particular case you are speaking about there is Collingwood, and I do not know the particular locality, but any large port like that generally implies dredging for various projects, not a large scheme like deepening the whole harbour, so much as deepening a certain channel here and one there, or a channel alongside a certain dock.

Q. I was trying to lay down a general principle: you will admit that where a general scheme of improvement can be arrived at it would be desirable to give out the work for a large quantity? A. Exactly.

Q. Well then, there is another thing that I have noticed in reading over your specifications. All your specifications for dredging have this condition in it, that the dredges shall be the property of the tenderer at the time he makes the tender. Now, can you give any justification for that provision? A. The idea I have always had with regard to that was that the department did not want to invite foreign competition.

Q. It would not necessarily be foreign competition which would result, because why could not a Canadian person or company who was able to put up the necessary security for the purpose of a contract, be allowed to tender on the condition that before undertaking the work their dredges should be registered as Canadian bottoms? A. The question is why should they not be allowed to tender?

Q. Yes, can you suggest any reason why? A. No.

Q. Under the specification, as it is at present, a tenderer can go to the United States and buy a dredge and all the other plant required and tender for a contract and if he secures it he can perform it with an imported American dredge, that is with a dredge that he has imported from the United States. Of course, in such a case when he tenders by securing the vessels and plants before he makes the tender, he takes the risk that if he does not get it he will have the plant on his hands? A. Yes.

Q. And the result must be to shut out from competition a number of persons who would be quite capable of buying the necessary plant after they got the contract and to throw the dredging contracts into the hands of a few companies and persons now in Canada who already have the plant. That is obvious, is it not? A. Yes.

Q. Now, I was asking this: if that competition were struck out, and its place taken by another, to the effect that no dredge not registered in Canada should be permitted to commence the work of dredging—what would you say as to that? A. That would be preferable.

Q. That would be secure, just as in the other case, that the vessel should be a Canadian bottom at the time she did the work? A. Yes.

Q. It would allow any person or company who could raise the necessary money and were prepared to do so, to tender for a contract, and if they got it to go into the dredging business? A. Yes. Might I be allowed to read that clause of the specifications myself, please. I do not remember the exact wording of it.

Q. Yes, here it is (reading) "We agree that the dredge which we intend to employ on this work was duly registered in Canada at the time of the filing of this tender with the department." A. Well, there is no doubt in my mind that is absolutely wrong. It is absolutely wrong to exact that a man shall go and import dredges and then have them on his hands if he does not get the contract. That is bad, in my opinion.

Q. Now, Mr. Dufresne, I will ask you to produce a copy of the specifications and tenders for dredging, which have been in force in your department during your time, and also you compare it with the specifications and say if you can find out when that particular provision was first introduced into the specifications? A. Yes, I will do so.

Q. Dredging in the harbours of the Great Lakes and on the Atlantic and Pacific seaboard has taken place in the United States to a very great extent for very many years, has it not? A. Yes, sir.

Q. And the probability is that there is a great deal of dredging plant in that country? A. Yes.

Q. Do you know, as a matter of fact, that there is on the American side of the Great Lakes a great deal of dredging plant? A. I do not know the extent of the plant. I hear occasionally of various dredging contractors who have considerable plant.

Q. Do you know whether dredging on the American side is done by tendering and by contract or whether it is done chiefly by government plant? A. Generally by tenders and contracts.

Q. Then it would follow from that and from their immense seaboard that there must be a great deal of plant.

Q. And, as in all machinery, the probability is that the Americans are up to date, in their more recent plant.

Q. According to the general rule they would have the best in the world, would they not? A. Yes.

Q. Then if time contracts could be given, or large quantity contracts I would call them, more work could be done over a number of years—if such contracts could be more largely given by the department, and if this provision that I have just

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referred to could be stricken out of the specifications, so that any Canadian company or individual could tender, and, if they should get a contract, procure the necessary dredges, would it not extend the field of competition very materially? A. Yes, sir.

Q. And the probable result would be a very great lowering of prices for work done? A. Yes, I presume it would lower the prices.

Q. Well, have you not noticed from your tenders that have come in year after year that in many places or, at least, in a large number of places, there is not much competition for the work? A. In a number of places it appears that there is not much competition.

Q. And in those places where there was not much competition, the rates were invariably pretty high? A. Well, that would be without recollecting at present any particular instance. I think that would be right, we would naturally assume that it would be.

Q. Well, for illustration, here is the schedule of tenders received for 1907. We will just glance over this schedule for a moment—we will take Ontario as an illustration: now, you notice the prices for all other material there in the case of Bell river, that year, one man was fifteen cents and the other twenty-eight cents, nearly double? A. Yes.

Q. And skipping down to Chenal Ecarte, Ontario, it varied from fifteen cents to eighty cents in another? A. Yes.

Q. For the same kind of material? A. Yes.

Q. Then take Cobourg, in that year it varied from eleven cents in one case to twenty-seven cents in another? A. Yes.

Q. Now, I want particularly to call your attention to this fact, in that year the lowest tenderer at Cobourg was eleven cents and at Hamilton was twelve cents? A. Yes.

Q. Well, in such a small place as Goderich, it was twenty-five cents? A. Yes.

Q. There was only one tender there. And in Kincardine it was twenty-five cents, and only one tender? A. Yes.

Q. And in Meaford, the tender was for thirty-four cents, the lowest? A. Yes.

Q. So you see that in cases where there were many tenders or quite a number of tenders the prices were lower? A. Well, I think it would appear that in calling for tenders for a certain piece you like to get as many as possible, but there may be some certain condition here that made it hard to dig, or something.

Q. *Prima facie*, it looks as if where competition exists the price is lower, although usually that may be explained away by local conditions? A. Yes.

Q. At any rate, as a rule, more competition means lower prices? A. Yes.

Q. That is disregarding the local conditions? A. Yes, of course where there are a very few tenders received, naturally the lack of competition is likely to make prices higher.

*By Mr. Lake:*

Q. I want to find out, with reference to these particular contracts, are the tenders called for in a bunch at the beginning of the season? A. Most of them, yes, the majority of them are.

Q. And is a considerable time given for the persons who are supposed to tender to send in their tenders? A. In the cases I know of a considerable time is given; I think, as a general rule, it is three weeks from the first appearance in the newspaper. That is to the best of my recollection.

Q. Three weeks from the first appearance in the newspaper of the advertisement? A. Yes, I think it is that. It is a long time. I think in every case I know of.

Q. Well, you consider three weeks is long enough in all cases, do you? A. I think so, yes.

Q. I notice in this form of tender which I have in my hand that work is to be begun within thirty days after the signing of the contract? A. Yes.

Q. From that, I presume the tenders are only called just before work is to be begun and a man has to make up his mind whether he can tender or not very rapidly?

A. Well, you are dealing with tenders there for work that I am not familiar with. Those are old contracts that you have in your hand, I think.

*By the Chairman::*

Q. I had some conversation with you yesterday about the practice in preparing for dredging work and I would like to ask the same questions in order to get the matter on record. I understand that about October in each year it is your custom to send out a letter to the district engineers asking them what dredging work they propose for the next season? A. Yes.

Q. And when the replies come in to this circular, they are tabulated? A. Exactly.

Q. And the copy of the tabulated replies is given by you to the minister? A. Yes, sir.

Q. Or to the deputy minister? A. To the minister and deputy minister and assistant deputy minister.

Q. This is given to them for consideration? A. Yes, sir.

Q. Now, in addition to the suggestion made in that way for future work, the minister may have representations made to him by members of parliament? A. Exactly.

Q. Or by applications from companies or individuals who are desirous of having dredging done? A. Yes, sir.

Q. Representations of that kind, however, would not come to you at that stage, would they? A. As those requests or representations come in to the minister or the deputy minister they are always eventually transmitted to my office, or rather to me, with the request that an examination may be made and find out what is required, and eventually I send them to the district engineer.

Q. You send them to the district engineer for a report? A. Yes.

Q. And eventually, you get the information that you want? A. Yes.

Q. Well now then, when the parliamentary estimates come to be made up, the departmental estimates come to be made for the consideration of council and to go on to parliament later on, are those estimates made up from the consideration of the particular information you have got in? A. No, sir.

Q. The system has been to put into the estimates a lump sum that would be allowed for dredging in one province and the other, has it not? A. Yes, apart from special votes.

Q. Of course, in the estimates there are some special votes chargeable to capital? A. Yes, and a few to income.

Q. And those special votes chargeable to capital in the estimates as they are made up now are such works as Fort William, Tiffin, and Victoria harbour? A. And Quebec and St. John, New Brunswick.

Q. And such large works as may be described as capital works? A. Yes.

Q. But I suppose the general idea is that if they are large new works of sufficient importance they are chargeable to capital? A. Yes.

Q. And special things will be charged against income? A. Yes.

Q. What will be the reason for distinguishing this very large block vote for the provinces? A. They may be works that are fairly large or imply a fairly large expenditure.

Q. That may be more than one year, for instance? A. In some cases yes, and it is generally thought desirable to keep very large expenditures out of the general expropriation for dredging.



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Q. Well then there is placed in the estimates a general appropriation for dredging, divided up something like this: Dredging in the maritime provinces, so much? A. Exactly.

Q. Dredging in Ontario, so much? A. Ontario and Quebec, so much.

Q. Ontario and Quebec go in together? A. Yes.

Q. And dredging in what other provinces? A. British Columbia.

Q. That is a separate item? A. Yes, and Manitoba, Saskatchewan and Alberta.

Q. Now, in arriving at the amount which would be allowed there, regard is not had so much to the claims for work from that province as to the amount which the department or rather the minister, thinks he can afford to let that division have for that year? A. That is right.

Q. For instance, he arrives at it in this way, after consultation with the deputy minister, perhaps, by saying, well, we allowed so much to the maritime provinces last year—this year we can allow them so much, more or less, than last year? A. Yes, or I think the decision as to how much will be provided is arrived at in Council.

Q. Well, the estimates are always taken over by the minister, the department estimates which he asks for are taken over by the minister to Council but the Council may cut it down of course? A. Yes.

Q. Well, anyway, that is the way in which the propositions of the minister or of the department, perhaps I had better say, are made up? A. Yes.

Q. By regard to what they think it can be afforded to a particular province? A. Exactly.

Q. And they go before Council and the matter is presumably discussed, and then it comes to parliament? A. Exactly.

Q. Now, up to that stage you are not asked to give an estimate of what, as the man in charge of dredging, you think the public service requires? A. No.

Q. You do not, for instance, sit down and go over the various applications and exercise your own discretion in the light of the information you have, and say: this year we ought to have so much for Ontario and Quebec and so much for the maritime provinces? A. No, as regards the general appropriation, I am not asked, and we are only instructed.

Q. Yes, only the general appropriation. Then parliament having voted the amount, and you seeing what the general appropriation for a particular section is, how is it divided up, or parcelled up? A. A certain proportion of these appropriations is set aside for the maintenance and operation of the department dredging plant and the remainder is allotted for various contracts.

Q. Who allots it for the contracts? A. About March or April, generally in March, the deputy minister—I will give you what happened last year, which was my first year—the deputy minister and the assistant deputy minister and myself, got together and we, knowing how much was appropriated, deducted what was required for departmental dredging plant and took the engineer's estimates.

Q. The district engineer's? A. Yes, the district engineer's estimates, and went through that list and tried to arrive at conclusions from the engineers' reports as to what were important that is, what were of the first importance, the idea being to do those. The district engineers in replying to my circular letter are supposed to point out whether the work is important, or not, whether it is work of a private or public nature, and how important. They give us statistics of shipping and commerce of each port, and we try to arrive at the conclusion as to what work should be undertaken. This does not definitely establish what work will be done. It is laid before the minister, and he approves of it or not.

Q. The minister has the last word on that subject? A. Yes, the minister has the last word on that subject.

Q. Having got his vote? A. We lay out the tentative programme for him.

Q. And he having before him a general vote say five hundred thousand dollars

for the maritime provinces, has to provide first of all for the government plant?  
A. Yes.

Q. That is really a fixed charge? A. Absolutely fixed.

Q. And then he will have a large amount outside of that which is simply subject to his discretion? A. Yes, and the tentative allotment of that is just before him.

Q. Suggested to him in the way you have described? A. Yes.

Q. And he says whether it shall or shall not be used in that way? A. Yes.

Q. And he may strike out any item which you have suggested? A. Yes.

Q. Or increase or decrease any item you have suggested? A. Yes.

Q. He gives no reason for that but simply fixes the amount? A. Yes.

Q. So, with regard to that unfixed amount and the general vote, the minister is the sole arbiter of it? A. Yes.

Q. He doesn't even give the reasons why he has decided in that way? A. No.

Q. It may or may not be political reasons? A. Yes.

Q. And that allocation is sent to you in writing?

WITNESS: From the minister?

Q. Yes? A. He marks on this list which we have handed him either "approved" or his suggestions.

Q. And do you keep this list on your files? A. I think they are on the departmental files.

Q. You think they are still on the departmental files? A. Yes, not on my own particular files.

Q. The directions of the minister are marked on the departmental files? A. Yes.

Q. And after that it passes into your care to direct about the work? A. Yes, the calling for tenders and so on.

Q. Well, now, the amount which is going to be spent either in particular harbours under capital account or as against income under special designation, or out of that general vote, cannot be fixed in any one year until parliament has passed the appropriation? A. No.

Q. Consequently, until that is done, you cannot call for tenders? A. No.

Q. Well, then you come back to the question which Mr. Lake asked you a moment ago, which is this: if it were possible to fix your programme of work for one year very early in the year, would it not be very desirable to give longer notice for tenders in order that people might consider what they are going to do, and if they get the contract have a much longer time afterwards to prepare than is now given? A. I do not know exactly positively what length of time we give. I stated a little time ago that it was about three weeks, and I think it is.

Q. Yes, from three weeks up to a month? A. We have never had any complaints that I have ever heard of that too short a time was given, and, as a rule, I think that we give sufficient time.

Q. Let me point out this to you, under your specifications, whereby a tenderer must at the time he tenders be in possession of the dredges, you, by your present system, give all the time that is necessary, because you actually restrict the number of possible tenderers down to the men who have a plant and are in the business? A. Yes, but if you will allow me, I am not positive that our present tenders and specifications and contracts, that is to say, of this last year, are worded the same as that clause that I read a little while ago.

Q. What I want to ask you now is this: if the dredging programme for a season could be arranged very early in the year, there would be no objection to calling for tenders early in the year, would there—there would be no objection or difficulty in the way? A. How early, may I ask? What do you suggest by early in the year, do you mean January or February?

Q. Yes, if you had your appropriations settled by parliament so that you could safely proceed with the arranging of the programme and calling for tenders? A.

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I could see no objection if parliament settled the amount, to ask for tenders early in the season, and it might be that it would increase the competition.

*By Mr. Lake:*

Q. Were you a resident engineer in Manitoba? A. Yes.

Q. Where did you reside at that time? A. In Winnipeg.

Q. There was a good deal of dredging going on in the province, I presume? A. A small amount of dredging.

Q. At various places? A. Yes.

Q. When the policy was decided on of having dredging done at those places, what was your usual procedure, did you go out and examine the localities? A. The localities were examined, yes.

Q. And the nature of the material to be dredged? A. Yes, and I may say by the way, that west of the Great Lakes there is no contract dredging, it is all departmental dredging.

*By the Chairman:*

Q. Now, we will deal with government dredging. The department has government dredges from the Great Lakes and on the Pacific coast, and all the dredging is done by government dredges, I understand? A. West of the Great Lakes all departmental dredging is done by their own plant.

Q. Is that true of British Columbia also? A. Yes.

Q. There is no contract dredging there? A. No, sir.

Q. Is there much dredging in British Columbia, by the way? A. A considerable amount.

Q. Chiefly where? A. Chiefly in Victoria, Vancouver and the Fraser river.

Q. Well, then, there are some dredges in the prairie provinces? A. There is a dredge north of Edmonton on the Lesser Slave, a very small type of dredge, and there is another at Last Mountain lake, a small dredge. Then, in Manitoba, we have five or six dredges of a very small type.

Q. Those Manitoba dredges, what are they doing? A. They are dredging as a general rule at the mouth of the alluvial streams in that province.

Q. For the purpose of keeping navigation open? A. For the purpose of maintaining channels.

Q. And navigation? A. Yes.

Q. You have government dredges on the Great Lakes? A. Yes.

Q. And on the St. Lawrence are there government dredges? A. Yes, down the St. Lawrence and down the Ottawa.

Q. And then? A. A few departmental dredges on tributaries of the St. Lawrence, for instance, up on the Lievre river on the St. Maurice river, and on the Saguenay river.

Q. Then there are dredges in all the maritime provinces? A. Oh, yes.

Q. You have what is called superintendent of dredges, have you not? A. Superintendents of dredging, yes.

Q. Of dredging? A. We have in Ottawa a general superintendent of dredging and an assistant superintendent of dredging. Then, we have local superintendents of dredges.

Q. Local superintendents of dredges? A. Yes.

Q. In Ontario and Quebec, how many local superintendents of dredges? A. The only ones in Ontario and Quebec are the general superintendents of dredging and the assistant superintendents of dredging.

Q. Here you mean? A. Yes, in Ottawa.

Q. Then, these superintendents of dredges that you spoke of are in the maritime provinces? A. Yes, and also in British Columbia.

Q. In Manitoba? A. No.

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Q. Who looks out for the dredges in Manitoba? A. The district engineer.

Q. Residing at Winnipeg? A. Yes.

Q. What is his name? A. Earle.

Q. Then these dredges on the Saguenay and other rivers tributary to the St. Lawrence, are not inspected except from here? A. Yes. Pardon me one moment; you are asking about superintendents, but we have local travelling inspectors, a number of them operating from headquarters here.

Q. We will deal with the superintendents in the first place. How many superintendents have you in the maritime provinces? A. Two.

Q. Who are they? A. Mr. Scovil at St. John, N.B., and Mr. Graham at New Glasgow.

Q. And the man at New Glasgow has jurisdiction where? A. Over the Nova Scotia dredges.

Q. All the province of Nova Scotia? A. Yes, and Mr. Scovil has jurisdiction over New Brunswick and Prince Edward Island.

Q. That is rather a peculiar division geographically, because the man at Pictou could very much better look out for the northwest coast of Nova Scotia, while the man at St. Johns could look for the Bay of Fundy dredging and the west coast of Nova Scotia? A. Well, the geographical division does not appear to me to be so wrong, as the man at St. Johns looks after New Brunswick and Prince Edward Island. I think he is able to go to Prince Edward Island quickly.

Q. (Interrupting).—Is there any reason you can suggest for a man from Pictou that could go up to Yarmouth in the province of Nova Scotia, while a man from St. Johns could get across in a few hours? A. No, but if you were to figure out most of the work of our departmental dredges, and had them before you, I think you will say that a man in New Glasgow has his dredges fairly well under his notice.

Q. As a matter of fact a very great deal of the dredging has been done in Yarmouth, the most expensive place in Nova Scotia? A. Yes, but these superintendents of dredging have nothing to do with contract dredging, and the Yarmouth dredging has not been done by the departmental dredges.

Q. Well, take note now, the same question of distribution of authority is being considered by the Marine and Fisheries Department, with reference to certain of their inspectors, trying to have the man residing in St. John look out for the Bay of Fundy and the west coast of Nova Scotia, and the northeastern end of Nova Scotia and Prince Edward Island, should be under another jurisdiction? A. May I show you on the map here. I think if the reorganization takes place, probably one superintendent would be enabled to look out for the whole of the maritime provinces, that is implying that we would have travelling inspectors also.

Q. Well then, besides the superintendents, you say you have local inspectors of government dredges? A. Yes, sir.

Q. Here in Ottawa? A. One in Ottawa. They reside at various places.

Q. You mean to say they are scattered all over the Dominion? A. Not over the Dominion. We have one in Toronto.

Q. Who is he? A. C. H. Patterson, who looks after four of our dredges, keeping them in repair and seeing that they are operating properly.

Q. He is instructed direct from the head office? A. Direct from the head office.

Q. Yes, by you? A. Yes.

Q. And reports directly to you? A. Yes.

Q. Not to the superintendents of dredging in any way? A. Occasionally he corresponds with the superintendents of dredging. He does now report to me, but the ideal condition is that he should report to the superintendent of dredging, who is responsible for the operation and maintenance of all the departmental dredging plants.

Q. These superintendents and inspectors are only supposed to concern themselves with the upkeep of the dredges are they not? A. Exactly.

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- Q. That is to say their physical condition? A. Exactly.
- Q. They have nothing to do with the hiring or discharging of crews? A. They should have.
- Q. But do they, in practice? A. Not in all cases.
- Q. Well, would you say in any cases they have anything to do with the hiring of and discharging of crews? A. They do hire men, but, as a general rule, most of the men who are hired are not hired by them.
- Q. What I want to get at is this; how is the duty of a superintendent prescribed? A. Generally, the superintendent of dredging, his duties are to look after the operation and maintenance of all departmental dredging plant.
- Q. Is that defined in any order in council or any instructions that you know of? A. Not that I know of.
- Q. You have never seen a definition of his duties? A. No.
- Q. Can you describe briefly what is practically and in fact the work which the superintendents do? A. They are supposed to be men of mechanical ability and thoroughly conversant with the operation and construction of dredges, and it is their business to see that our dredges are being operated and maintained properly, and to look after all repairs.
- Q. When you say they are supposed to be men of mechanical ability, you mean to say they ought to be? A. Yes.
- Q. Because they have things of a mechanical kind to look after? A. Yes.
- Q. And when you say they are to superintend the operating, you mean to say that they are to see that the machinery is in a fit condition for operating? A. Yes, and see that it is kept in a proper condition.
- Q. But the superintendents, as such, would have nothing to do with the actual working of the vessel, as it is carried on from day to day? A. Nothing whatever.
- Q. Would he for instance ask the master of the dredge as to why he had not been working his dredge on some particular day or other? A. Yes.
- Q. He might ask him why his machinery was not in good shape, but if the master would report that it was a stormy day and he had gone out he would have nothing to do with that? A. Absolutely, yes.
- Q. He has a right to question the master as to all this proceeding? A. Yes.
- Q. And require an account of what work he has been doing? A. Yes, the masters of all dredges are directly responsible to the superintendents of dredging.
- Q. And the inspectors, is that true of them too? A. Yes.
- Q. They are really superintendents under another name? A. They are agents of the superintendents of dredging.
- Q. Here at Ottawa? A. Yes, or a local superintendent will have his inspectors.
- Q. A local superintendent may have inspectors? A. Yes.
- Q. Who are simply vice-superintendents for the time being? A. Yes.
- Q. Doing his work and acting as his agent? A. Yes.
- Q. The inspectors are really superintendents? A. No, I do not wish to convey the meaning that the inspectors are superintendents in the higher sense, or that these inspectors may be regarded as of the same rating as superintendents.
- Q. You mean they are subordinate officers reporting to the superintendents? A. Yes.
- Q. But doing the same work in relation to the dredges? A. Yes, they keep their superior in touch or advised as to the working of the dredges. They are generally, as a rule, we prefer to have men who have been successful as a captain or dredge-master, men of long experience. This man Patterson, in Toronto was one of our best dredge-masters and makes in consequence, a good inspector.
- Q. Well, take the case of Inspector Patterson, he would, during the season, go around and see that the dredge was in good shape as to her hull, that her machinery was in proper order, and would require an account of what she had been doing from day to day? A. Yes.

Q. And would consult with the master as to how his crew were satisfying him and so forth? A. Exactly.

Q. And if any cause of complaint arose, he would refer it to the superintendent? A. Exactly.

Q. Now then, each dredge of any size is supposed to be under a master? A. Exactly.

Q. He is on board of her? A. Yes.

Q. And he has officers and a crew? A. Yes.

Q. Who hires the master or who appoints him and dismisses him, and so on? A. The superintendent of dredging is supposed to hire the captains and the dredge-masters.

Q. The superintendent of dredging; you don't mean the general superintendent here, but the superintendent in the maritime provinces, for instance? A. Yes, but not without referring the matter to headquarters.

Q. Has there been a captain employed or discharged during your year and few months of operation? A. Yes.

Q. What I want to know is—well, taking that case, who discharged him? A. Let me think please. We had a case last summer of a man who was discharged or who left the dredge, that would be a better way of putting it.

Q. Was he the master, or one of the crew? A. He was the captain of the dredge, or master, it is the same thing, and in this case the promotion from cranesman to captain—the cranesman was appointed in his place.

Q. Who appointed him? A. He was appointed by the superintendent of dredging here at Ottawa.

Q. By the superintendent here at Ottawa? A. Yes.

Q. Was that done after consultation with you? A. Yes, in this particular case it was.

Q. And you, I suppose, before you did it, consulted the minister? A. No, not in this case. I consulted the inspector, the travelling inspector who was aware of the circumstances.

Q. You talked with him? A. Yes, as to this man's qualifications.

Q. Did you take upon yourself the responsibility of making the appointment without reference to anybody above you? A. Yes, in this case, yes.

Q. Is that the only case you can call to mind, Mr. Dufresne? A. Let me see—I remember a case last year of a new dredge of ours in the maritime provinces, constructed for Prince Edward Island, and at the time we wished to have a captain the name of some man was suggested to us. The superintendent came to me from the minister's office, to appoint a certain man.

Q. Now, what I am trying to get at first, is where the authority to discharge and appoint resides, and then later I will get at how and where it is exercised. I want to know how discipline and authority is exercised. Take, for instance, if a local superintendent in the maritime provinces, Mr. Scovil for instance, was dissatisfied with the captain of a particular dredge, now has he authority, or would he have the authority, to say to that man: "I dismiss you" without referring it higher up? A. He should refer it to headquarters.

Q. It would have to come in the proper channel through the superintendent of dredging, and from him to you? A. Exactly.

Q. Well, now, you have no authority, I presume, by any order in council or any document of any other kind, to dismiss a man? A. I have not the authority, I report the case to the deputy minister.

Q. To the minister? A. I never report direct to the minister, but the deputy minister. All my correspondence goes to the deputy minister.

Q. And presumably the deputy minister would consult the minister? A. I suppose so.

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Q. So apparently, the authority to dismiss rests in the minister? A. Exactly.

Q. Whether the authority resides in the minister or not, in practice, it would come back to the minister, would it not? A. Yes.

Q. Because with regard to the master or one of the officers of any of these dredges, a superintendent, a local superintendent or inspector, or even the superintendent of dredging here would not take upon himself to dismiss that man? A. No, not one of the higher officers.

Q. Consequently, the exercise of discipline and authority over the men in charge of these vessels is a very remote thing, is it not? A. Yes, quite so.

Q. And, therefore, the character and value of the men who get that job, on one of these vessels, is a very important thing at the commencement, isn't it? A. Yes.

Q. Once in, it is hard to get him out? A. Yes, that is one of the faults of the present system, namely, that the actual people, the officer in charge of dredging operations, have not got the proper control of crews.

Q. Are you familiar with the commercial method of dealing with steamship officers and men? Have you ever inquired into it? A. Not particularly. If you were to ask me the same question about contractors' dredges, I am fairly familiar with the methods they follow.

Q. Well, taking the method in use in dredges of contractors, who is in charge of a contractor's dredge? A. A contractor having a dredge or a number of dredges, naturally looks around to get a satisfactory captain for his dredge, a suitable man to place in charge of his dredge. Having decided upon whom he will put in charge, he gives this man full authority to employ whom he wishes, and to dismiss whom he wishes, and that, to my mind, is the ideal condition.

Q. Let me tell you that in large steamboat companies and vessel companies of one kind and another, there is a man in charge of the ship who is called the ship's husband, and he employs everybody from the captain down. In the case of a large steamship company, a ship's husband is a very important man, indeed. He has the absolute power of employment and dismissal, and consequently, his work is very effective. He might, or might not, with regard to the particular cases, mention what he was going to do to some one higher up than himself, but he has the power to do it without any question, and don't you think that some such system is necessary for the effective working with government dredge scattered all over the Dominion? A. I do, yes.

Q. For instance, take the maritime provinces, your superintendents there ought to be men of sufficient capacity and authority to employ and discharge all those who are connected with the dredges? A. Quite so.

Q. And they should be held responsible for the character of the work they do? A. Exactly.

*By Mr. Ducharme:*

Q. You say that these inspectors make a report of their work? A. They make a report.

Q. Yes, they make a report in the fall? A. The inspectors?

Q. Yes, the inspectors go around and report? A. This is in connection with departmental plant, our own dredges?

Q. No, with the contracts? A. Then, it is the district engineers you refer to.

Q. What kind of a report do they make? A. A report which deals with the work that is required at a certain place, the amount of material that is to be removed, and so forth.

Q. Do they make any soundings? A. Yes, preliminary to a report, they make soundings and ascertain the nature of the material and make plans and figure out how much material has to be removed.

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Q. They make a pretty accurate report? A. Oh, yes, close enough to base a call for tenders on, or to estimate how much the work is going to cost.

Q. And the moment that is done, you are ready to call for tenders? A. Yes, presuming we have the money.

Q. But as far as the call for tenders is concerned, you are ready? A. As soon as we have the engineers' reports we are ready to call for tenders, that is, if we have sufficient information.

*By the Chairman:*

Q. As much as you ever have? A. Yes, unless we order a further survey.

*By Mr. Ducharme:*

Q. Then you said that when you made a contract in all those contracts you put in so much for towage, extra towage—now, if your soundings are made you ought to be able to prescribe the distance for towage exactly, so as not to have any extra towage? A. Well, in large contracts, we could mention where the towages would be. It is understood that to tow material three miles away and to tow it five miles away, it costs a great deal more for five miles.

*By the Chairman:*

Q. But he is saying that it ought to be possible to lay down in the calling for the tenders the distance of the towage? A. Yes, in a lot of cases. There are cases of course, where you have to change the dumping ground.

*By Mr. Ducharme:*

Q. Can all the dredging be done by one single department? A. Yes, absolutely.

Witness retired.

The Commission then adjourned.

OTTAWA, MONDAY, March 4, 1912.

PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE Esq.,  
*Commissioners.*

Examination of JAMES B. McMURRAY, of St. John, New Brunswick, mechanical inspector of dredges in the maritime provinces.

*Examined by the Chairman:*

Q. How old are you, Mr. McMurray? A. 58.

Q. How long have you been working for the government? A. Since August, 1877.

Q. Have you been working for the government ever since that time? A. I was off for four months.

Q. In what year? A. I was off four months about seven years ago.

Q. How long have you been connected with dredging? A. Since 1877.

Q. You have been connected with dredging all the time you have been in the government? A. Yes.



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Q. You were the master of a large, I understand? A. Yes, master engineer.

Q. Master engineer? A. Yes.

Q. Of what dredges? A. Well, of the dredge *Cape Breton*, and I was formerly engineer since I have been in the service.

Q. Were you an engineer paid for profession? A. Yes, sir.

Q. Are you a marine engineer or a mechanical engineer? A. A marine engineer papers and mechanical engineer, I served five years bound apprentice.

Q. That is for the mechanical part? A. Yes.

Q. And then you were acting as a marine engineer? A. Yes.

Q. Driving boats and so on? A. Yes.

Q. When did you become inspector, Mr. McMurray? A. Two years ago last spring.

Q. Then you passed from the charge of the *Cape Breton* and became an inspector? A. Yes.

Q. How long were you in the *Cape Breton* altogether? A. I was in her from the fall of 1896.

Q. You were in the *Cape Breton* from the fall of 1896, that is when you went into her? A. Yes.

Q. And you remained there until 1910? A. Yes, and four months I was out.

Q. You were there fourteen years in charge of the *Cape Breton*? A. Yes.

Q. She was operating in the maritime provinces? A. Yes.

Q. Now you are inspector of machinery of dredges all over the maritime provinces? A. Yes.

Q. And you go from place to place upon the call of a superintendent? A. Well, yes, there is a call, but I often go without a call, just to have a look around, that is my duty, and to report.

Q. Besides superintending the machinery during the season, when the dredges are through operating, when repairs come to be made to the machinery, are you to inspect them also? A. Yes, sir.

Q. To see that the repairs are properly made of course? A. Yes, sir.

Q. Then it is a position which keeps you pretty actively employed? A. Very much so.

*By Mr. Lake:*

Q. You report to the superintendents I understand? A. Yes, sir, I report to the superintendents.

Q. You travel then in Nova Scotia, New Brunswick and Prince Edward Island? A. Yes.

Q. There are two superintendents there I understand, one at St. John, New Brunswick, and one at New Glasgow? A. Yes.

Q. Mr. Scovil is at St. John, New Brunswick? A. Yes.

Q. What is his name? A. George E. Scovil.

Q. And the other man's name is? A. Mr. Graham.

Q. What is his full name? A. George N. Graham.

Q. Mr. Scovil would be a man of 65 or so? A. Yes.

Q. And Mr. Graham is a man of what age? A. About 35, I should judge, somewhere about that, but I wouldn't swear to it.

Q. Neither of these men are practical dredge men? A. No, sir.

Q. And neither of them has had anything to do with dredging except in their present positions? A. No, sir.

Q. They are not engineers by trade or profession? A. No, sir.

Q. Now you have nothing to do with the employment of men I understand, Mr. McMurray? A. No, sir.

Q. Not even the engineering staff? A. No, sir.

Q. Do you have anything to do with the ordering of machinery or any thing of that sort? A. Well, yes, sir, I have in a way. Mr. Howden, the general superintendent, has given me permission, has allowed me to order different things.

Q. Yes, but your regular business is merely to inspect, examine and report? A. Yes, sir.

Q. And I suppose in a case where a little repair of a trival nature is to be made you will order what is required and order these repairs to be done at once? A. Yes, sir, in order to same time.

Q. And then in doing your work the engineers of the various boats inform you from time to time of what is wrong, and so on? A. Yes, sir.

Q. Now in connection with the mechanical parts there would arise the question of supplies, of things needed for the engines and so forth? A. Yes, sir.

Q. First, there would be lubricating oil? A. Yes.

Q. And small spare machinery, parts of machinery, such as bolts and nuts and so forth? A. Yes, we always try to have a spare of everything.

Q. Is material of that kind—it is requisitioned for by the engineer of the boat, I suppose? A. Yes, sir.

Q. Does the captain of the dredge endorse these requisitions or have any control over them or does the engineer simply report to the superintendent? A. He reports to the superintendent.

Q. Makes a regular requisition to the superintendent? A. Yes.

Q. Have you any control or authority over that at all? A. Not at all, sir.

Q. That has been provided or have you everything to do with that, or of seeing whether there has been waste or not? A. No, sir, if it went through my hands, if I had authority to order this stuff, I would surely check it up.

Q. Now with reference to that wouldn't it be, in your opinion, a wise course that supplies required in and about the machinery should be requisitioned for, but the requisition will go through your hands before going to the superintendent? A. I think so, by all means.

Q. Their not being machinists or engineers, and knowing anything about it, they have no power to revise or criticise the requisitions, they simply get them filled, and that is the end of the business? A. Yes, sir.

Q. In your experience have you ever known that the superintendents did exercise any real and effective control over the amount of the supplies that engineers were getting? A. That is to check them right?

Q. Yes, or to revise requisitions—have you ever known them to do that? A. No, sir, I cannot think that I ever did.

Q. Well, now from your knowledge of books that are kept in the office of the superintendents, and so forth, do you know how much supplies are used by the different dredges, or to form a basis of comparison between one dredge and another? A. There are no books kept, we keep the bills, we can always refer to the bills.

Q. The accounts are being paid regularly? A. Yes, sir.

Q. But there is no list kept to see whether there has been over supply, or losses going on or anything like that? A. No, I do not know of any.

1 *By Mr. Lake:*

Q. Are your headquarters in any of those offices? A. Oh, yes, the St. John office, I have a desk in the St. John office.

*By the Chairman:*

Q. And are you familiar with the books and accounts there concerning these things? A. Yes, sir.

Q. You would not have any hesitation in saying that nothing of the kind is kept? A. No, sir.

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Q. From your experience haven't you found a great variety among the different engineers in the running of machinery? A. Wonderful.

Q. One is economical and another wasteful? A. Yes, exactly.

Q. Don't you think it is very important that full examination should be made and a record kept of all supplies used for such service? A. Certainly, by all means, yes, sir.

Q. The quantities supplied for a dredge ought to be kept and a very exact account followed up as to the use made of those supplies? A. Yes.

Q. And the engineers ought to be held to a very strict account as to the methods of dealing with supplies of that kind? A. Yes, there are so many of them now it is important.

Q. And lubricating oils are very high in price? A. Yes.

Q. And a large amount of money is spent every year in that way? A. Yes.

Q. In the same way with reference to coal supplies, we might first take more the question of quantities. Some dredges, of course, are coal wasters, aren't they? A. Well, I can hardly say that.

Q. Well, you find a considerable variety in the amount of coal used in proportion to the amount of work done among the different dredges? A. Oh, yes.

Q. And then again I presume a good deal depends upon the engineer and the fireman in such cases as that? A. Yes, a great deal.

Q. If a very careful account were kept during the year of the amount of coal supplied to each steamer and the amount of work she did, it would form some basis on which you could judge whether a man was economical or not? A. Yes, sir.

Q. And I presume with reference to all these supplies if there is any stealing going on, you have no means from your office of telling whether it is going on or not? A. No, sir.

Q. And at present there is no basis of comparison between the different steamers and the different crews? A. No.

Q. Not at the present time? A. No, sir.

Q. Now with reference to the supply of these things, we will take the supply of coal. They are wanted for various steamers which may be during the summer, each steamer may be in a number of ports? A. Yes.

Q. And is the coal supplied here at the different ports during the season? A. Oh yes.

Q. And under the present circumstances that coal is purchased locally? A. Yes, sir.

Q. For instance, if a dredge is working at three or four places along the coast of Nova Scotia, from the time she wants coal, and she buys it at that place? A. Yes, sir, from the local dealers in many cases, that is the principle.

Q. If there are local dealers to supply it? A. Yes.

Q. And in many cases it may happen to be supplied from local supplies that are in the place? A. Yes.

Q. Stores there, for instance? A. Yes, sir.

Q. Now, in such a case as that coal taken out of a store or from some local supply would have a good many charges on it for handling and storage that would make the coal more expensive than if it were bought for the dredge in a special cargo? A. Yes.

Q. For instance, if you knew that at Lunenburg in Nova Scotia a dredge was going to be coaled at a certain time, if that coal could be bought by contract and brought from the mines by a special vessel to that dredge, the price for the coal would be much less? A. Yes, very much, and taking it from the mines you get a long ton, that is 2,240 pounds, and from the dealers you only get 2,000.

Q. A dredge like the *Cape Breton*, how many tons of coal does she use in the summer? A. She uses well the average is about one and a half, or one and three quarter tons would keep her a day.

Q. One and a half or one and three quarter tons would keep her a day? A. Yes, ten hours work and give good results.

Q. How much would she hold in her bunkers? A. 22 tons at once.

Q. Then she has to be coaled up every twelve days in working time? A. Yes, steady work.

Q. Well once a fortnight anyway? A. Yes, every second Saturday afternoon.

Q. How many months out of the year would she work? A. Generally eight months.

Q. The *Cape Breton* generally works about eight months in the year? A. Yes.

Q. So that would be pretty nearly 400 tons of coal a season? A. Yes, pretty near.

Q. And you have down there larger dredges than the *Cape Breton*, haven't you? A. Yes, sir. Now, for instance, the *Northumberland* will burn about five tons a day. She is one of those centrifugal pumps, and they run at a very high speed.

Q. She carries away a lot of steam? A. Yes, that would be about 1,200 tons a season.

Q. About 1,200 tons a season? A. Yes, and they have double shifts.

Q. And that would mean about 2,400 tons? A. Yes.

Q. What about the *Fielding*? A. If she has been supplied by Starr down there, all along, I don't know about her capacity.

Q. Is she in Halifax? A. No, in St. John at the mouth of the St. John harbour. I forget her consumption of coal per day now.

Q. Is she the largest dredge down there? A. Yes, the largest one in the service. She is what we call an elevator. We have three elevators.

Q. What you say with reference to the purchasing of coal in that way, from the local dealers, applies just the same to the purchasing of other supplies doesn't it? A. Yes, sir.

Q. Not only for the machinery but for the vessel's up-keep and the up-keep of her crew? A. Yes, and ropes are a big item.

Q. Ropes are a big item? A. Yes, sir.

Q. Are they purchased locally when wanted? A. Yes.

Q. And that of course is quite unnecessary because these ropes might be supplied from the rope works and shipped to you direct, couldn't they? A. Yes, sir.

*By Mr. Lake:*

Q. Does the price vary from place to place? A. Yes, very much.

*By the Chairman:*

Q. And the local price of ropes compared with the price at the rope works is very much larger? A. Yes, very much.

Q. And the Dartmouth Rope Works could ship to you at any place? A. Yes.

Q. And at very short notice? A. Yes, for they always keep a good stock on hand.

Q. In the interests of economy it should be done that way? A. Yes.

Q. You have nothing to do with the hiring of crews I understand, Mr. McMurray? A. No, sir.

Q. Who does hire the crews, the superintendents? A. No, sir, that is one great trouble down there, if we could hire the men we could get suitable men for that place, but they ask the Member.

Q. The superintendent asks the member? A. Yes.

Q. It is the superintendent who nominally puts the men to work? A. Yes.

Q. He is supposed to say to one man or another. "You have the job"? A. Yes.

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Q. But he gets his instructions from the local members of parliament? A. Yes, and through the minister and Mr. Dufresne, that used to be the old way of doing it. They have not been doing that lately, though.

Q. Not doing which, not going to the minister or to Mr. Dufresne lately? A. Exactly.

Q. You mean since Mr. Dufresne has been in the office? A. Well, ever since Mr. McCorkey died, he was superintendent of the maritime provinces before.

Q. Before the present men were appointed? A. Yes.

Q. That is about four years ago? A. Yes, about four years ago.

Q. He took his instructions from the minister and the engineer? A. Yes.

Q. But now coming down over the last three or four years the men have been named for employment by the local member, is that right? A. Yes.

Q. That means the member for the Dominion who happened to be there? A. Yes.

Q. Or where there was no member on the Government side by the defeated candidate or some one else on the government side? Yes, that is the way it was done down there.

Q. Would that mean the member or the friend of the government where the dredge happened to be when a man was wanted? A. Yes, whatever county she was in the member there had the say.

Q. If she was in Queen's-Shelbourne, the government party there put a man on and if she lost that man by the time she got to Yarmouth, the government party there put one on? A. Yes.

Q. And of course he was put on because he was supposed to be on the right side of politics? A. Yes.

Q. Of course with regard to officers and engineers and others, the places are sought after, are they not? A. Yes.

Q. There are plenty of people anxious to get them? A. Yes.

Q. Now, with regard to the ordinary cases, sailors, firemen and so on, are they also sought after? A. Yes.

Q. There is no trouble to get men? A. No, there is a list always in the office, that is prepared by the member or some of the committee, and if you want a fireman, a deckhand, a cook or a steward, there is a row of them.

Q. You have not been allowed for a long time to look out for a man because he is suitable? A. No.

Q. These dredges are some of them propelled by their own power? A. Yes.

Q. That is they dig the spoil up and dump it out without the services of a tug-boat? A. Yes, we have four of those, but there is so much time lost in having the dredge do its own dumping that we now dump into scows and take it out.

Q. But four of the dredges are capable of propelling themselves? A. Yes, sir.

Q. Which four are those? A. The *Fielding*, the *St. Laurent*, the *Canada* and the *Restigouche*.

Q. Are those four dipper dredges? A. No, they are three elevators and a suction dredge.

Q. Which is the suction dredge? A. The *Restigouche*.

Q. Take these elevator dredges—are they simply dredges with an endless chain with buckets going down to the bottom and coming up again and up to the height of an elevation and upsetting the material from there? A. Yes.

Q. And when the material is upset it is allowed to drop into a scow? A. Into a chute, shoots down the side of a boat down into a scow.

Q. They are able to upset it so that it will be able to go down into their own—what do you call them, bunkers? A. Well, their own hopper.

Q. That is into the dredge itself? A. Yes, there is a hopper in the centre of the dredge that dumps into the bottom.

Q. And after this is full it is opened and the spoil is allowed to sink to the bottom? A. Yes.

Q. It is not done now? A. No, it is not done now in one of them.

Q. They have scows, several of them, I suppose? A. The *Fielding* has four, the *St. Laurent* three, the *Canada* two.

Q. And the scows are filled and tug boats take them out to sea where the spoil is to be thrown over? A. Yes, sir.

Q. Now, with a suction dredge, does she deposit her spoils in scows? A. She can do either, she has a big well, a hopper, three or four of them by the side, and she discharges sand into the hoppers until they are filled, and they go out and dump it.

Q. The suction dredge is merely used on soft material? A. Yes, she cannot do anything else.

Q. She is no good where there is clay or rock or anything of that sort? A. No.

Q. She can only be used on sand and stuff of that kind? A. The *Restigouche* won't do anything at all only on sand, but we have another suction called the *Northumberland*, she has what is called an agitator on the end of the pipes, and she will do anything but rock.

Q. She will do clay? A. Yes, clay.

Q. Where is she operating at present? A. She is operating in New Glasgow and Pictou, Nova Scotia, she has been operating for the last three years on this river.

Q. What is the material there? A. Hard and soft together.

Q. Both hard and soft together? A. Yes, oyster shells, clay and rock.

Q. As a matter of fact in these suction dredges where you use scows, there is water and spoil brought up together, and it runs off and drops into the scows? A. Yes, about twenty-five per cent sand and the rest water.

Q. What becomes of the water? A. It flows up over.

Q. And it drops down and forces the water up? A. Yes.

Q. And when you have the scow loaded you carry very little water, I suppose? A. Yes, very little, they overcome that by having a fence or bulkhead about three feet high over the top of the scow, and that will hold sufficient water to let the sand run down, and when it drains off perhaps about 18 or 20 inches, you will find the sand after you stop the dredge working. You will have a full hopper then, but you wouldn't have any other weight.

Q. In soft material you find these suction dredges, I should think, the best kind of dredges, don't you? A. Yes, that dredge, the *Northumberland*, is a very successful dredge in that way.

Q. Used for that purpose? A. Yes.

Q. Well, you said that you had more dredges, the *Northumberland* would make the fifth, wouldn't she? A. Yes.

Q. She is not capable of propelling herself at all? A. No, sir, she has to be towed.

Q. How many dredges outside of the four you speak of are there? A. Three on Prince Edward Island, the *Montague*, the *Prince Edward* and the *Pawnell*.

Q. How many others? A. The *George Mackenzie* and the *Cape Breton*.

Q. Where are they used? A. In Nova Scotia.

Q. For the south shore? A. Well, all around.

Q. And Cape Breton? A. Yes, all around.

Q. Yes? A. And No. 4 on the Magdalenes.

Q. Is she used there all the time? A. She went down there last summer and she is going to remain there so far as I know.

Q. Are there any others? A. That is all.

Q. How many would that make altogether? A. I think it is either 12 or 13.

Q. Do any of these dredges do night work as well as day work, I mean have they got night shifts? A. The *Northumberland* is the only one.

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Q. Now, with regard to those dredges, all of them having their spoils carried back and forth by tug boats, is there any need of a master for each of them? A. On each of what?

Q. On each dredge? A. Oh, yes, it wants a master.

Q. It requires a master engineer, I know, but does it require a captain for each dredge besides the engineer? A. Well, the engineer fills the two positions, he is both captain and engineer.

Q. When he fills the two it is all right, but is there any real need of the two? A. Well, not on spoon dipper dredges that do not propel themselves.

Q. But taking those that propel themselves, what use would they be except when they are going from one place to another? A. Well, of course, they have the operating of the dredges. There is a certain amount of leverage work on the deck, for hoisting and lowering and getting her into position to operate, and the captain operates the levers and in these elevator dredges the dipper bucket.

Q. The captain does that? A. Yes.

Q. Now, Mr. McMurray, would you tell me how many of these vessels in your opinion really need a captain? A. All the propeller dredges.

Q. That is the four you named? A. Yes, the four propeller dredges.

Q. Because, although he is called a captain he is really helping to operate the machines? A. Yes.

Q. And in the case of those boats requiring to go from one place to another, he can also navigate? A. Yes.

Q. Whereas in the other cases if the dredges are moved the navigation is done by the tow boat which is moving the dredge as well as the other? A. Yes.

Q. The *Canada*, is she a self propelling dredge? A. Yes, she is one of them. She is the oldest boat in the service.

Q. Dipper dredges do not need a sailing master? A. No, sir.

Q. Speaking generally, from your knowledge of these things, are not a good many of these boats overmanned at the present time, that is I mean for some time have there not been more persons employed upon them than there is any absolute need of? A. Well, I suppose there are, you could spare a man in some cases. There is the *Canada*, I think when she is not working overtime you do not need two engineers on that small boat, they have two engineers, a chief and a second.

Q. Do the tug boats that move these dredges belong in many cases to the government also? A. The government only owns five tug boats.

Q. For instance, I see the tug *Canso*? A. She is a government boat.

Q. The *Canso* is a government boat? A. Yes, sir.

Q. And the *South Gelena*? A. She is another government boat.

Q. And the *Hercules*? A. Yes.

Q. And the *Lisgar*? A. Yes, well that makes six that we own. And the *Rona*, at the Magdalen islands, she is a small boat.

Q. Well now, take these tug boats for instance, take the *Canso*, does she need two engineers? A. Well, she does in a great many cases. She is an outside sea going boat, coming from St. John as she has this spring, and going to Campbellton, she would require a second engineer.

Q. They make a run from one place to another? A. Yes.

Q. And on such a run she would need a second engineer? A. Yes.

Q. But if they are lying in a place taking scows in and out would she require a second engineer? A. No, not necessarily.

Q. It would be easy enough in making a run from one place to another to get a second engineer wouldn't it? A. As a general rule it would, but sometimes not.

Q. But as a rule it would. Is it necessary to keep a second engineer all the season, just for a few runs from port to port which a tug has to make? A. No, I don't think it is.

- Q. Now, take the *Canso* again, she had three firemen at a time. Is that necessary?
- A. No, sir, not when she is working ten hours a day. Two are enough.
- Q. And she had three-deck hands? A. Two deck hands ought to be sufficient.
- Q. What is a scow man called? A. He goes on the scow to attend to the scow.
- Q. He goes in the scow? A. Yes.
- Q. If she had two deck hands would you allow a scow man then besides? A. Yes, you would have to have a scow man.
- Q. You would need a scow man and two deck hands? A. Yes, sir.
- Q. Now I find that that tug had two cooks? A. Yes, that is a cook and an assistant, a cookee.
- Q. He is just as helper? A. Yes.
- Q. Would a cookee be necessary? A. I will tell you the reason why they require this, they serve two tables. The crew is down forward and the officers are aft and they have to carry the food from the aft cabin to the forward cabin, and it is only a boy, a man.
- Q. There is no need of having a scow man on the dredge and a scow man on the tug boat, they are really part of the dredge crew aren't they? A. They are in some ways, but in a long tow like that, they changed that last summer at Campbellton. It is a ten or twelve mile tow and they are towing at dinner time and at six or seven o'clock at night. Now at dinner time the men cannot be at the dredge to get their meals, and that is the way they arranged it. This man off the tug boat can eat on the steamer and the same way coming back in the evening.
- Q. Under a proper system the question of how many men a tug or a dredge should have should be settled by the superintendent should it not? A. Yes.
- Q. He would notice it? Of each scow and dredge and should settle it on the spot? A. Yes, sir.
- Q. Who decides in practice the number of men who are required on one of these dredges or boats? Is it the superintendent who is responsible? A. It is between the superintendent and the captain.
- Q. The captain may come up and say to the superintendent "I want another man," but he has to say it to the superintendent? A. Yes.
- Q. So it is the superintendent who says you can or you cannot have it? A. Yes.
- Q. And if one was wanted you have told us how he would be got? A. Yes.
- Q. So it is the superintendent who asks to cut down the crews if they need cutting down? A. Yes.
- Q. Now is there any other inspector of machinery besides yourself? A. No, sir.
- Q. I saw an inspector J. N. Macdonald referred to. What is he? A. He is inspector of dredges on the Island so far as the work goes, to see that they are kept at work and the like of that.
- Q. To see that they are kept at work? A. Yes.
- Q. Well but in order, in the first place, in charge of the dredges there is the commander, the captain? A. Yes.
- Q. And when he gets into a place to dredge she is under the district engineer isn't she? A. Yes.
- Q. Now what has the inspector to do with seeing that she is kept working?
- A. It wants a man to go around to visit them from time to time to see how they are getting on, and prepare the work they are doing because they are very slack over there.
- Q. Is there any similar inspector to Mr. Macdonald in Nova Scotia? A. In what?
- Q. Any inspector in Nova Scotia who does the same work that Mr. Macdonald does on the Island? A. No.
- Q. Or in New Brunswick? A. No.
- Q. This appointment has been made only a short time ago I understand? A. About a month ago.
- Q. But there is no dredging going on there now? A. No, sir.
- Q. Was there any call for him over there? A. Nothing more than I spoke about.



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Q. No more need of him, say than there is Nova Scotia or New Brunswick?  
A. No.

Q. Do you know if there is need of such an inspection taking place in Nova Scotia and New Brunswick? A. No, not an inspector, I fill that position.

Q. You fill that position? A. Yes.

Q. Cannot you fill it on the island as well as there? A. I have been and I still go to the Island as mechanical superintendent that is my ground.

Q. When you were there as mechanical superintendent did you inquire into the works that they had been doing? A. Yes, well not as to the work, that is not in my line at all in the dredging.

Q. Who does that in Nova Scotia and in New Brunswick? A. The superintendents, they are supposed to do that.

Q. The superintendents are supposed to do that? A. Yes, excuse me they can easily tell that by the weekly reports that come in every Saturday night, and if they look up to see what they are doing, and there is a clause in the report with regard to detention and the reason for detention.

Q. They can be done by the superintendents? A. Precisely.

Q. You are going around from dredge to dredge and from place to place inspecting their machinery? A. Yes.

Q. Couldn't you do such inspection as may be needed on the spot, inspection of the crews, inspection whether they were keeping things done generally on the vessel? A. Yes, well I do that.

Q. But the investigation of the work they have been doing, I mean taking these reports and saying to the people "Why is this this way, I find you have not done as good work as you should have, why don't you do better work"? Couldn't you do all that at the same time? A. I suppose I could if I had to do it.

Q. Would it be loading one man down too much, or is there any need of two or three people tumbling over each others feet in directing the same dredge? A. No, but the superintendents should look up the weekly reports at the end of each week and notify them and ask for an explanation if the dredge was not up to the week before.

Q. How many are there in the office staff of the superintendent at St. John not counting you? A. Three.

Q. Three clerks? A. Yes, one clerk and two lady typewriters.

Q. Constantly in the office? A. Yes, constantly in the office.

Q. Don't you think one superintendent for the maritime provinces would be enough? A. I would think so.

\*Q. And one head office? A. Yes, and one head office.

Q. And that one superintendent with one head office with a staff of three in the office is enough to do all the office work? A. Yes, I would say so.

Q: Then having a superintendent and that staff that you speak of and those reports coming in weekly, couldn't one inspector do all the inquiry and inspection that would have to be done on the work itself? In other words couldn't you do it? A. Oh I could, yes.

Q. Reports come in for instance, at the end of every week? A. Yes.

Q. And if the superintendent is dissatisfied with the reports he causes a letter to be written asking what is the trouble, and in some cases when the answer to his letter comes back he won't feel satisfied, couldn't he then easily write to you treating you as a deputy superintendent, saying that so and so has written and I am not satisfied with what he says, and I want you to go and see what is the matter. Couldn't you do that? A. Yes, when I am called around, yes.

Q. You would be not only an inspector but also a deputy superintendent? A. Yes, I could do that.

Q. Could you alone, without any further assistance, do the whole of that for the dredges in the maritime provinces? A. I could yes, sir, I tell you why, in the sum-

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mer time, or rather I will put it the other way, in the winter time there is no dredging, it is only repairs to be looked after, and in the summer time there are no repairs, and of course I would go outside of the repairs in the summer time and I could do it.

Q. Then, of course, there are the district engineers who are in the place where dredging is going on who are supposed to be keeping a lookout over the work? A. Yes.

Q. They are really helping you, because they will growl, I suppose, if the work is not done? A. Yes.

Q. Now, in looking over the reorganization we do not want to save a penny and lose a pound. Mr. Dufresne, when he gets his organization by and by does not want to be penny wise and pound foolish? A. No, sir. Of course, whether one superintendent is able to do the work or not is dependent on the kind of work the inspector is expected to do and what authority he has to exercise.

Q. A great deal of time is lost by these dredges lying in the harbour is there not? A. Yes.

Q. From various causes of course? A. Yes.

Q. Which may or may not be correct? A. Yes.

Q. Don't you think more attention ought to be paid to planning out early in the season the kind of work each dredge is expected to do, and arranging that she shall be out in exposed work in the smoother piece of the year, and shall be doing work, in general work in sheltered places, when the weather is likely to prove bad? A. Yes, that is a very important thing.

Q. Now, for instance, you take harbour work on the Cape Breton coast or the south Atlantic coast of Nova Scotia, you have a good many barred harbours there? A. Yes, all of them.

Q. And work on those harbours in rough weather is out of the question? A. Yes.

Q. That work should not be done or attempted to be done in spring or fall? A. No, in summer, July or August.

Q. Those are the only months when that work should be attempted? A. Yes.

Q. And of course there are semi-sheltered places on which work could be done in the spring and autumn? A. Yes.

Q. That is if a proper arrangement were made? A. Yes.

Q. Now is there anything with reference to dredging down there that I have not asked you about that you would volunteer any news about? A. I cannot think of anything now. Well, you see there are three or four district engineers down there, and if they would send in reports to the superintendent and let the superintendent use his judgment in placing those dredges, it would be of great advantage. There is one in Cape Breton, one in Halifax and another in Antigonish, one in Sydney and another on Prince Edward Island.

Q. Do you mean that the superintendent should place the dredges? A. Well, if he knew where all the surveys were made and taking the location of the different places he could judge better.

Q. That is as to where he should place his dredges during the season? A. Yes.

Q. To the least waste of time and the accomplishment of the most work? A. Yes, of course Graham doesn't know anything about the coast, nor Scovil doesn't either so far as that goes.

Q. But you mean to say that if there was a thoroughly competent superintendent over the maritime provinces he ought to be able to make a plan for the season's operations in consultation with the head office here? A. Yes.

Q. The district engineer, it seems to me, ought to have nothing to do with the dredges? A. No, they have nothing to do with them, they don't want anything to do with them.

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Q. The district engineer has arranged that a certain place shall be dredged and the superintendent of dredges sends a dredge there to do the work, and so far as the movement of the dredges are concerned I do not see why the district engineers have anything to do with it.

Witness retired.

## Examination of THOMAS H. SCHWITZER.

*By the Chairman:*

Q. You are Canadian born, Mr. Schwitzer? A. Yes, I was born in Ottawa.

Q. What are you doing at present? A. I am general superintendent at the Printing Bureau.

Q. How long have you been there? A. I went there a year ago.

Q. Where were you occupied before that? A. In Washington most of the time. I was with a contractor doing work for the Navy Department.

Q. What are you by profession, Mr. Schwitzer? A. I am a mechanical engineer.

Q. Are you a graduate of any college? A. Yes, of McGill University.

Q. How long is it since you graduated? A. I graduated in 1901.

Q. So you have had ten years of actual work? A. Yes.

Q. Most of that in the United States? A. No, I was there only about three years.

Q. What has your experience been in the main? A. In detail do you want?

Q. Not too full details, but generally speaking? A. Well, I have spent about a year and a half at a machine shop here, at the Canada Atlantic shops, when I was going to college, and between my third and fourth year I was on board an Atlantic liner in the engine-room, and after I left college I went to the Canadian Pacific Railway shops at Montreal, and was in the shops awhile and in the draughting room after that. Then I left there and went to the Harbour Commissioners at Montreal as assistant superintendent and was there three years and had charge of the night work.

*By Mr. Lake:*

Q. What class of work? A. Dredging. And then I left there and went to McGill College with Professor Durley and was there fifteen months as lecturer and demonstrator with Professor Durley.

Q. Lecturer and demonstrator in mechanical engineering? A. Yes, sir, and I left there and went to the Northern Electric Company at the corner of Guy and Notre-Dame streets, and moved all their machinery from the old factory to the new one, Notre-Dame streets, and moved all their machinery from the old factory to the new one, is a factory employing about 2,000 men. I left that and went to the States for Mr. A. W. Robinson to build a dredge for the Egyptian government, and also a tow boat. I was about a year and a half on that work.

*By the Chairman:*

Q. What had you to do with that, what particular work? A. The design and construction both.

Q. Both the design and construction of this dredge and tow boat? A. Yes.

Q. Were you in charge of the design? A. Yes.

Q. And construction? A. I was inspector on the construction work. I had to approve of everything. Then I left that and went to these New York contractors on work for the Navy Department, mostly in Washington. Then I travelled pretty well up the east coast, I was reporting on consolidation of the power plant for the Navy Department, and then I left that and came to the Printing Bureau last February.

Q. How old are you? A. 33.

Q. Are you married? A. Yes, sir.

Q. Have you any family? A. One.

Q. We are not asking these questions out of idle curiosity, particularly, but Mr. Dufresne has spoken of you most favourably and we thought perhaps, if he knew you personally, we might promote you to some appointment in the dredging department for which position I understand you are an applicant. I thought if we were so inclined after hearing you we might possibly be able to say something to the minister in whose power these things rest. In reference to dredging now, your experience with practical dredging was confined to Montreal, I understand? A. I was three years there, that is on the dredging end.

Q. In that dredging work what did you have to do? A. I practically looked after all the dredges, the placing of them and placing of all the material.

Q. Had you anything to do with their machinery? A. Yes, I had to keep them all in repair.

Q. So you are familiar with dredges? A. Yes.

Q. And the machinery? A. Yes.

Q. That is actual practical experience as well as theoretical knowledge? A. Yes.

Q. Then you had, as you say, the construction of that dredge in the United States? A. Yes, that was built at Richmond.

Q. That was the draughtmanship of it? A. I had draughtsmen under me, and they did the designing, and I had to approve of all the drawings.

Q. Besides that did you have to oversee the actual making of the machines? A. Yes, every part had to be approved by me.

Q. So you were inspecting the machine also? A. Yes.

Q. You did no actual dredging in the United States, I understand? A. No, sir.

Q. Nowhere except in Montreal? A. Exactly.

Q. But the mere dredging is more machine work, it is the looking out for the machinery of dredges that is the important part? A. Yes. I have had good experience too, I think in system. While at the Northern Electric Company, they completely reorganized their whole plant, and they had an expert on there from the United States to reorganize the whole plant, and I always make it a point to get acquainted with these experts to get all the information I can. I got very closely connected with him and got all the experience I could as to reorganization and so on of a large plant.

Q. What is your salary at the Printing Bureau at the present time? A. \$2,400 a year.

Q. How long have you been there? A. A year ago last February.

Q. What does mechanical superintendent of the Printing Bureau imply? A. Looking after all the machinery, motors, &c.

Q. Presses? A. Generally.

Q. Generally in charge of the machinery? A. Yes, in charge of the machinery, the electric motors, &c.

Q. You have a number of assistants under you, I suppose? A. No, a number of sub-foremen. I have installed a machine shop of our own there and we are doing all our own repairs there which we used to send to outside people.

Q. And you superintend the operating as well as the repairs? A. No, I have nothing to do with the actual operation of printing, but I must see the machines are capable of doing good work.

Q. And if a complaint is made about any machine you have to see that it is fixed up all right? A. Yes, the motors and machines.

Witness retired.

SESSIONAL PAPER No. 57

Mr. DUFRESNE (recalled):

*By the Chairman:*

Q. Mr. Dufresne you have been examined before? A. Yes.

Q. Now, in the first place dredging for the Government is divided into two parts, namely, contract and departmental dredging? A. Yes.

Q. Now, the contract dredging is done under district engineers? A. Yes, sir.

Q. And reports come in showing progress of amounts due to contracts, &c? A. Yes

Q. At present these reports come to Mr. Walters? A. Yes.

Q. He has now a desk in the office of the assistant superintendent of dredging? A. Yes, sir.

Q. Under your reorganization he ought probably to be in your office? A. It would be preferable, yes.

Q. He should be quite close to you because he is supposed to report to you as those progress reports come in? A. Yes, the intention was to have him close to me, but in the present congestion of the offices it was impossible.

Q. The assistant superintendent of dredges has nothing to do with him? A. Nothing at present.

Q. And could not have under the re-organization because the superintendent or assistant superintendent of dredging have really nothing to do with departmental dredging? A. That is the idea.

Q. With departmental dredging and re-organization, beginning at the top the present superintendent of dredging is sick? A. Yes.

Q. And has been for a considerable time? A. He has been sick since last December.

Q. He is an old man? A. He is an old man, yes, he is about 75 years of age, I believe.

Q. Well, then you need a new superintendent of dredging, don't you? A. Well—

Q. At any rate the public service needs a new superintendent of dredging or departmental dredging? A. Yes.

Q. He has nothing to do with the contract dredging? A. No, but let me explain. He is known as the general superintendent of dredging.

Q. I am not talking about what he is known as. It is a misnomer at the present time, because he has nothing to do with it? A. Some two years ago Mr. Howden, who is assistant, made up estimates, and it is only since I have been here, a year and a half, that I have gradually taken all this contract dredging away from them, leaving them in charge only of departmental dredges.

Q. Under such an organization, you would have a general superintendent who would have nothing to do with contract dredging? A. That is my idea.

Q. Now, if you had a general superintendent would you need an assistant superintendent here? A. Yes.

Q. What about the present man in your new organization, would you have a new man in his place? A. Well, of course I do not care to say—

Q. I regret that we must put these questions to you? Of course the information is confidential? A. Yes, you get the man up here and there is proof of anything I say.

Q. Then we will leave the details and minor organization to wait. For a superintendent what kind of a man do you desire to get? A. To my mind a proper superintendent of dredges should have technical education and considerable ability and should have practical experience in machinery. A good mechanical knowledge of machinery in particular. He should know the plants, the dredging plants.

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Q. Besides the assistant superintendent there is in the office here a draughtsman, is there not? A. Yes, in the proper organization of the headquarters to look after departmental dredges, such a man as I spoke about qualified for the position of general superintendent should have executive ability which would imply a re-organization of the present office carrying with it a proper system of draughting, dredging, designing, look after the accounting, the returns, the pay-lists and so forth as they come in. A chief draughtsman should be appointed and as we build considerable new dredging plant a chief draughtsman should have considerable knowledge of the designing of plant.

Q. Speaking of the draughting, the actual draughting, is it necessary, in your opinion, in a re-organization to have a draughting office attached to the dredging office here, separate and apart from the draughting that goes on in the Public Works Department? A. Entirely so, it should be under the immediate charge of the superintendent of dredging.

Q. Do you not think it would be more economical and quite as easy to combine it with the draughting office of the department generally? A. No, because it is draughting of an entirely different nature. It is mechanical draughting.

Q. And requires a knowledge of mechanical engineering on the part of the draughtsman? A. Exactly.

Q. Then outside the office, under the present organization, you have whom that would be answerable to the superintendents, or what? A. The local superintendents on dredges throughout the Dominion should be under the direct charge of the superintendent general of dredges.

Q. In the previous evidence that you gave here you enumerated the local superintendents? A. Yes.

*By Mr. Lake:*

Q. How many do you think there should be, in your estimation? A. Possibly three, I would suggest that as under the present arrangement. We have one in British Columbia, we should have an additional superintendent for the three western and middle western provinces and one for the maritime provinces, and I would think that Ontario and Quebec dredging could be looked after direct from headquarters.

*By the Chairman:*

Q. By inspectors? A. Yes, or by the general superintendents.

Q. The general superintendents would hardly be able to look directly after the dredges? A. My idea is in saying that we would require an assistant superintendent of dredging was to give the general superintendent or the assistant superintendent an opportunity of going around and seeing their men.

Q. Then the assistant superintendent really might be superintendent for Ontario and Quebec as well as assistant superintendent? A. Yes, and the local superintendent and in this case the assistant superintendent at headquarters can have their travelling inspectors reporting direct to them or go around themselves.

*By Mr. Lake:*

Q. Are you including in Ontario the Fort William and Port Arthur and Rainy river? A. That is contract dredging.

Q. Yes, but I thought that is the kind of work you would like to have undertaken by government dredges, that is that the nature of the work at those places would better be done by the government dredges? A. I do not think I made that statement.

*By the Chairman:*

Q. Well, in any case that is a detail and very likely your Manitoba superintendents would take it in if it were done by government dredges? A. Yes, the district

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engineer in Manitoba includes the northwest angle of Ontario in his district, which comprises the Lake of the Woods and Rainy river.

Q. Well, in the maritime provinces you would have one superintendent? A. One local superintendent, yes.

Q. With his head office centrally at St. John, New Brunswick? A. Yes.

Q. And with some local inspector or inspectors under him? A. Yes.

Q. Now did I understand you a moment ago to say that the Department of Public Works has established a shipyard on Victoria island? A. Yes.

Q. What do you call it, do you call it a shipyard? A. Yes, we call it a shipyard headquarters for the department plant operating on the Ottawa and St. Lawrence rivers, and as much as possible we attempt to lay our plant up here at Ottawa where we have it under our close observation, and in the plant most of the work and repairs of fairly heavy nature has been given out to the machine shops here, and it was thought we could make a considerable saving on those repairs by gradually establishing, going on a small scale for the start, but gradually establishing a machine shop with a few tools in the shop to do these repairs ourselves. The most costly part of repairs and plant, especially a dredging plant is machine shop work, that is work that time is put on. It is a simple matter very often to get a price per pound on castings or on ordinary steel work, but going into the question of repairs on which the time of skilled labour is the principal item it is very difficult to get a price.

Q. Under whose charge is that shipyard at present? A. That shipyard is under the direct charge of the department here, and for some years the assistant general superintendent of dredges has looked after that.

Q. Then it is really a part of the dredging plant? A. Yes, absolutely a part of the dredging plant.

Q. Has it been under your observation? A. Yes, continually since I have been here.

Q. Well, is there a considerable staff employed there? A. We employ sometimes as many as 50 men, but at the present time we have four dredges laid up there and we are doing the spring outfitting and repairs to those dredges and we are also building a new three and a half yard dipper dredge.

Q. There? A. Yes, it is being constructed there.

Q. Then it would be in the highest degree important that the superintendent of dredging in charge of a plant like that should be a mechanical engineer? A. Exactly.

Q. That would be one of the most important things? A. Exactly.

*By Mr. Lake:*

Q. I want to get some idea of the amount of coal that is used in dredging operations? A. The amount of coal?

Q. Yes, could you make us an exact statement of the coal supplied for the various dredges? A. Yes, I will make that statement.

The witness retired.

The Commission then adjourned

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OTTAWA, Wednesday, March 13, 1912.

## PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

Examination of EBEN P. GODWIN, assistant superintendent of dredging. 4

*Examined by the Chairman:*

- Q. When did you first enter the government service Mr. Godwin? A. In 1880.  
Q. In what capacity? A. In the same branch, the engineering branch.  
Q. The engineering branch of Public Works? A. Yes.

*By Mr. Lake:*

- Q. Stationed at headquarters? A. Yes, sir.

*By the Chairman:*

- Q. How old are you now Mr. Godwin? A. 58 years of age.  
Q. So you were 26 when you entered the service? A. Yes, sir.  
Q. What was your trade or profession? A. Ship builder and bridge builder.  
Q. Are you an engineer by training? A. No, sir.  
Q. You had just been engaged at practical work? A. Yes, sir.  
Q. And what work did you start at in the Public Works Department? A. In each of the branches of it, sir, both in the accountants and the engineering, but the engineering principally.  
Q. What were you doing in the engineering branch? A. Just in the dredging branch.  
Q. But what class of work? A. Mechanical branch like, with the work both inside and outside.  
Q. Just to see that the work was done, a sort of overseer? A. Yes, sir.  
Q. Would you be confined entirely to Ottawa or would you be travelling? A. Oh, I was travelling, sir.  
Q. You were travelling? A. Yes, considerably.  
Q. Well, then from that time on your connection was with the dredging branch?  
A. Yes, sir.  
Q. The amount of dredging done must have been very small in those days? A. Yes, very.  
Q. You were what they call a temporary employee? A. At first, yes, sir.  
Q. You did not get on the permanent list until the Act which came in force in 1908, is that right? A. Yes, sir.  
Q. At the time the new Act came into force in 1908 what were your wages or salary at that time? A. At the time it came in?  
Q. Yes, about three or four years ago? A. \$2,000 I think, but I wouldn't be quite sure.  
Q. What is your salary now? A. \$2,750.  
Q. What class were you put in then under the new Act, what is your class?  
A. Well, I wouldn't like to say, but it is class B I think. I don't pay very much attention to that.  
Q. I see on looking at the list that you are in Division B-1? A. Yes.  
Q. You took that position from the time you went on in 1908, permanently?  
A. Yes, sir.  
Q. And of course you have had the annual increase since that time, but your class or division has not been changed since that time? A. No, sir.



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Q. Are you entitled to a pension under either of the Pension Acts? A. That is another thing that I can't say Mr. Morine.

Q. Have you ever been contributing to a pension fund? A. There is a deduction I think, made from my salary.

Q. Under the Retirement Act I suppose? A. Yes, but no superannuation I think.

Q. You do not come under the old Superannuation Act because you were not a permanent employee at that time? A. No, sir.

Q. But you have been contributing since 1908 under the Retirement Act? A. Yes.

Q. Now, Mr. Howden is the superintendent of dredging? A. Yes.

Q. He joined the service after you did apparently? A. Yes, this branch of it. He was in Sorel before.

Q. He was in Sorel before he went to Ottawa? A. Yes, sir.

Q. When did he come up here, about—you needn't be particular about the exact date? A. I think it was in 1891 or 1892, somewhere along there.

Q. About 1891 or 1892? A. Yes, I think so.

Q. Did you notice that he joined the government service in 1889 as temporary clerk? A. Yes, sir, I think that was in Sorel he was stationed then.

Q. And about 1891 he came up here to Ottawa? A. Yes.

Q. Did he take the position of superintendent of dredging when he came up? A. Not just at first, I don't think, I think it was some time afterwards when he was made general superintendent.

Q. Who was his predecessor? A. Previous to that, Mr. Morine, Mr. Arnoldi was just the mechanical engineer and the dredging was then combined with the mechanical part of the public building.

Q. With the mechanical part of the public buildings? A. Yes.

Q. There is no such officer now as chief mechanical engineer, is there? A. No, sir.

Q. What corresponds with that office now, who does the duties of that office? A. It comes directly under the chief architect now.

Q. Under the chief architect of the department? A. Yes, sir.

Q. And when the division took place, Mr. Howden was brought into the dredging? A. Yes, he was made the general superintendent and I was made his assistant.

Q. That was at that time? A. Yes.

Q. At the same time? A. Well, shortly afterwards.

*By Mr. Lake:*

Q. How many years ago was that when you were made assistant superintendent of dredging? A. I would have to look that up to make sure.

*By the Chairman:*

Q. Cast back into your mind about what time, the exact time is not important? A. I should judge it was about ten years ago.

Q. About ten years ago? A. Yes, sir.

Q. Now, Mr. Howden is over 70 years of age, I notice? A. Yes.

Q. And he is at present absent in the hospital? A. Yes, he has been in the hospital. He is improving now.

Q. How long has been in the hospital at the present time, Mr. Godwin? A. Since just before Christmas.

Q. Prior to that had he been steadily at work? A. Oh, yes, pretty steady.

Q. Had he been at the hospital before that? A. On several occasions, yes.

Q. What is the trouble with him? A. Previous to this time it was pneumonia that he suffered from, he took it here in Ottawa, and I took him to the hospital, but it seems to be different this time. I haven't had a chance of going down to see him.

Q. Is he a married man? A. No, sir.

Q. You are a married man? A. Yes, sir.

Q. Have you a family? A. Yes, sir.

Q. Is your family living with you at home? A. Yes, sir.

Q. How large a family have you? A. We have 11 living now, but we had 13. Yes, we have 11 living at present and they are all at home.

Q. Now, in the dredging department, although you are called assistant superintendent of dredging, your department has really, that is your office has really nothing to do with contract dredging? A. No, sir, not to direct it. Of course, the estimates go through our office to keep account, so that an account can be kept of the expenditures.

Q. Do you mean to say that Mr. Walters keeps the accounts of the expenditures in connection with the contract dredging? A. Yes, sir.

Q. But except for Mr. Walters, your office has nothing to do with the contract dredging? A. No, sir.

Q. So if Mr. Walters were moved into another office, such, for instance, as Mr. Dufresne's office, your office down below would have nothing to do with contract dredging? A. No, not if it was taken away.

Q. But if Mr. Walters went away? A. No.

Q. What I mean to say is this, your connection with the contract dredging is largely through the work that Mr. Walters does? A. Yes, he attends to contract dredging. He does other work as well you know, Mr. Morine.

Q. He does other work as well as look after the accounts of the contract dredging? A. Yes.

Q. What other work does he do? A. He supervises all the accounts, he looks over all the accounts regarding contract dredging.

Q. What do you mean by all the accounts? A. I mean there are a number of accounts coming in with connection with our own dredging, of course.

Q. You mean bills for supplies? A. Yes, supplies and things of that kind.

Q. And all the accounts? A. Yes, they come through Mr. Walters hands.

Q. You say they all come through Mr. Walters hands? A. Yes, to be checked.

Q. Don't they also go through another man that you have there? A. Yes, Mr. Cameron, he posts them.

Q. Mr. Cameron posts them? A. Yes, and divides them up to the different dredges.

Q. Do they go first through Mr. Walters hands? A. Yes.

Q. What is Mr. Walters supposed to do with those accounts Mr. Godwin? A. To check them and see that they are right.

Q. That the calculations and extentions are right, &c.? A. Yes.

Q. And then are they paid on his order? A. Oh no, I certify them.

Q. When they are calculated, what is the next step? A. He initials them and they are sent back to me as correct.

Q. And you pay for them? A. I certify them if I see nothing wrong.

Q. And then they go where? A. From me they go to a clerk upstairs who represents the chief engineer and who signs for the chief engineer.

Q. A clerk upstairs who signs for the chief engineer? A. Yes.

Q. What has the chief engineer to do with it? A. The dredging branch is supposed to be—

Q. Under the assistant to the chief engineer? A. Yes, under the assistant chief engineer, but on the stamp that is used, are the words "for the Chief Engineer." This man signs for the chief engineer.

Q. Who is he? A. Mr. Chalifour.

Q. Mr. Chalifour signs for the chief engineer? A. Yes.

Q. Well, he is in the chief engineer's office on the staff? A. He is not in his office, but in a room above, but he is on the chief engineer's staff.

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Q. He is not under the assistant chief engineer? A. No, sir, I don't think so, I think he comes directly under the chief engineer.

Q. Any way it goes to Mr. Chalifour? A. Yes.

Q. And then does he issue a cheque for the amount? A. No sir, he checks them that is all, and sends them to the accountant's branch.

Q. Are they paid there? A. Yes.

Q. What is the need or good of Mr. Chalifour checking them if they have passed through the hands of Mr. Walters, then Mr. Cameron and then yourself? A. Well very often questions arise, and possibly they may have more information in regard to certain of these accounts, or other information that I wouldn't have possibly, or that perhaps Mr. Walters wouldn't have.

Q. What kind of information do you mean? A. Well I can hardly say, any more than sometimes Chalifour has brought down accounts to me and called my attention to items in them that he thought were already paid, paid before for instance. But in looking them up we have never found that an account has been paid twice.

Q. But that only goes to show that two or three men are doing the same thing in that particular. If the accounts were kept properly in your department there would be no need of them going through two or three hands? A. It would make it more secure.

Q. I suppose you could keep on two dozen of men and in a sense it would make it more secure? A. I think if it passed through three hands it should be sufficiently secure.

Q. I think after that it should be reasonably secure—then it goes to the accountant's branch and he pays it I understand? A. Yes. Pardon me a moment, Mr. Morine, but may I add something there. We have just been correcting our proofs for the printers, and I have had two pretty good careful clerks correcting them, and even when they would come to me I would find some errors in them.

Q. I should have my own idea about the carefulness of the men who were doing the correcting. Now these accounts that come to Mr. Walters connected with the departmental dredges are sent from whom? Where do they come from to Mr. Walters? A. Both from the resident engineers and the captains of the different dredges.

Q. What would the resident engineers have to do with them? A. Well, they are in charge of the work when it is going on, don't you see.

Q. I am talking now about departmental dredges, you say they are in charge of the work when it is going on? A. Yes, sir, they lay it out and look after it, and see that it is properly done, and if the captain of the dredge requires any information he will apply to them very often.

Q. But what would they have to do with the accounts of the dredge? A. Well, suppose they had anything to purchase, suppose they had a breakdown or anything like that, they would receive from him a telegram, or a letter, they would either telegraph or write me at Ottawa, and I would send them directions to have this done direct, but in a great many cases the resident engineer gives them instructions what to do. He is kept more in touch with the work, and he should be consulted in the matter as to who should receive the work.

Q. What you mean to say is that they consult the resident engineer about the patronage? A. Yes, in a great many cases.

Q. But still has the resident engineer any official authority to interfere with the purchase of supplies? A. In some cases they do, but not in all.

Q. Do you ever give a resident engineer any authority? A. No, sir, I do not. If he gets authority he gets it from the chief engineer.

Q. That is if he does get authority? A. Yes sir, unless he appeals to me. If he writes directly to me I reply to him.

Q. About what, for instance, would he write directly to you, the resident engineer?  
A. Well, for instance, suppose they require an anchor, suppose they have smashed one of their anchors and they require one, and he says it may be purchased at such and such a place.

Q. The resident engineer? A. Yes, they have done so.

Q. But isn't that after all a mere butting in by the resident engineer? I am speaking now not of practical but official authority. What right has the resident engineer to communicate with you about the purchase of anything more than any Tom, Dick and Harry on the street? A. He would have, sir, on account of his official standing with the department, you see, and more than that very often, our dredge captains are illiterate men, and it is more for their assistance than anything else.

Q. But that is what I want to get at, whether it is official authority or merely butting-in. Now take the regular course of the proper certification. The regular course in the first place in the maritime provinces there is a superintendent of dredging isn't there? A. Yes, sir.

Q. That is for the maritime provinces? A. Yes.

Q. As a matter of fact there are two of them? A. Yes.

Q. And haven't they any control over the captains of the dredges? A. Oh, yes, I think they have. The captain wouldn't purchase without he got authority from them.

Q. You say you think they have, I am not holding you responsible for the system, but I want to know from you exactly what it is. In the maritime provinces do you ever receive bills and certify them to be paid that have not previously been certified by the superintendent in the maritime provinces? A. No, sir, and for this reason, I think, as probably you know, they have a letter of credit. For instance, Scovil would have a letter of credit and pays his own accounts.

Q. Exactly. Then the accounts for the maritime provinces never come to you? A. No, sir.

Q. That is they never come to you prior to being paid? A. No sir, exactly.

Q. And you have really no effective control over the accounts in the maritime provinces, have you? A. No, sir.

Q. You do not control the prices? A. No, sir.

Q. Nor the quantities? A. No, sir.

Q. Nor have you anything to do with them whatever really, excepting to certify them for payment? A. Not unless there is special reference. In cases they might be referred to me.

Q. In other words unless please to ask you to come in? A. Yes, sir.

Q. Do the accounts certified by Mr. Scovil come before Mr. Walters, and then you, and go on that regular course you have already described, or are they paid by the accountant's office on the certificate of Mr. Scovil alone? A. They are paid in the accountant's office.

Q. On Mr. Scovil's certificate? A. Yes.

Q. They do not come to you at all? A. Not until after they are paid, and then they come merely to be entered up.

Q. Merely to be entered up in the book by that other clerk, what is his name? A. Mr. Fhout.

Q. He keeps a sort of ledger in which he divides and classifies the expenditure? A. Yes.

Q. And these maritime province accounts only come back to your department for the purpose of bookkeeping? A. That is all, sir.

Q. Now to exalt that maritime province business—the crews of dredges in the maritime provinces are engaged under the local superintendents? A. Yes, with the sanction of the assistant chief engineer.

Q. And over that then you have no control at all, Mr. Godwin? A. No, sir,

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Q. And you have no control over supplies in connection with the maritime provinces? A. No, sir.

Q. And you have no control over the payment of bills? A. No, sir.

Q. And no control whatever over the movement of the dredges? A. No, sir, Mr. Howden attended to that principally.

Q. Now with regard to that I have been speaking about your office really, what you say about having no control over the accounts, the crews and so forth, would apply to Mr. Howden as well as you? A. Yes, sir.

Q. For the movement of the dredges in the maritime provinces has your office anything to do with that whatever? A. Mr. Howden has.

Q. Did you say Mr. Howden has some control over the movement of the dredges? A. Yes.

Q. In what way? A. He is consulted about the movement and he advises.

Q. Now as assistant superintendent of dredging, in Mr. Howden's absence or in case of his sickness, you would have the same thing to do would you not? A. Yes, I would be asked and would consult Mr. Howden.

Q. That is if he were here? A. Yes, if he were here or if I could get at him to consult him.

Q. Now, take it at the present time, you are doing to-day all Mr. Howden would regularly do, are you not? A. Pretty much sir, yes.

Q. That is so far as the season of the year calls for? A. Yes, sir.

Q. Now, we will stick to the dredges in the maritime provinces. The places where they are to go has been arranged by the assistant chief engineer? A. Yes, sir.

Q. In consultation with the various resident engineers who have asked for them? A. Yes, sir.

Q. Then I suppose the local superintendents would receive their orders as to where they were to send the dredges? A. Yes, sir.

Q. They cannot get those orders from Mr. Howden? A. Yes, they would if he were here, yes, sir.

Q. But Mr. Howden would get his from the assistant chief engineer, would be not? A. Yes, sir.

Q. So Mr. Howden would really only be the pipe for the orders to run through, isn't that right? A. Well Mr. Howden is often taken into consultation as to the advisability—

Q. Of course we know he is consulted, but the man who says where they shall be put is the assistant chief engineer? A. Yes, sir.

*By Mr. Lake:*

Q. But does the assistant chief engineer act on Mr. Howden's advice in this matter? A. Oh yes, frequently.

Q. Who is the officer who takes the first step as to making the recommendation as to the different points where the dredges are to be placed—isn't that the line you are working on Mr. Chairman?

The CHAIRMAN.—Yes, that is the line, but you have made the assumption that there was a recommendation made. I think I will put the question this way: Will you tell us how the movements of the dredges are laid down—what is the method? A. Yes, well first the resident engineers are asked for a statement.

Q. Who asks them? A. The assistant chief engineer.

Q. I understand then that the resident engineers are asked in the fall of the year what places they want dredges for the next year? A. Yes, to make out the programme.

Q. And an estimate is made in the winter of how much money can be spared and so on? A. Yes, and Mr. Howden would be consulted.

Q. As to what? A. To the different places, Mr. Howden being on the spot, as he frequently is, would be more conversant with what dredges would be suitable for the different places.

Q. What do you mean by saying Mr. Howden being on the spot? A. He is frequently there.

Q. At the different places? A. Yes.

Q. You mean that he has travelled a great deal? A. Yes.

Q. When you say he is consulted do you mean he is consulted by the assistant chief engineer? A. Oh, yes.

Q. Well after this conversation takes place, or after the consultation, who decides what places the dredges, shall go to? A. Between the assistant chief engineer, and the deputy minister.

Q. In any case so far as Mr. Howden is concerned, he is asked his advice, and the assistant chief engineer conveys to him what the decision is? A. Oh, yes, sir.

Q. That practice about deciding where the dredging should be done, and where the dredges will go, after consultation in that way, is the same with regard to all the dredging I suppose, not merely confined to the maritime provinces? A. No.

Q. Now, with regard to the maritime province dredging, I suppose the local superintendents would be more acquainted with the capacity of the various dredges and of their suitabilities for various harbours than any one here in Ottawa, wouldn't they? A. Outside of Mr. Howden, who has been through all these harbours and understands the locations and positions thoroughly.

Q. Now, Mr. Howden, you say, pretty frequently visits these places—does he go through the maritime provinces? A. Oh, yes, sir.

Q. What does he go to the maritime provinces for? A. To oversee the work, the oversee the dredging, and to become conversant with it so he may be in a position to judge of everything connected with it.

Q. How often would he go there in the course of a year, Mr. Godwin? A. Well during the summer he would possibly go six or eight times during the summer.

Q. To the different parts? A. Yes.

Q. Do you mean that he would go six or eight times to the maritime provinces? A. Yes.

Q. That would include New Brunswick, Prince Edward Island and Nova Scotia, I suppose? A. Yes.

Q. That might be one visit a year to one section of one of these provinces I suppose? A. I think during the summer he would visit pretty much all those places.

Q. Once? A. Yes.

Q. Wherever the dredges are placed on works going on, he would visit a place once in a season? A. Yes.

Q. And so far as the spotting out of the work to be done in the different places was concerned your department has nothing to do with that? A. No sir.

Q. The resident engineers do that? A. Yes.

Q. With regard to the machinery of those boats, that is simply an order by the local inspector I understand? A. We have to do that.

Q. Isn't there a local inspector? A. Yes, but they report to Ottawa.

Q. There is a local inspector going around the maritime provinces setting the machinery right if anything gets out of order? A. Yes.

Q. And then there are the local superintendents? A. Yes.

Q. That is Mr. Scovil and Mr. Graham? A. Yes, sir.

Q. Does Mr. Scovil travel away from St. John at all, around the different places where these dredges are working? A. Oh yes, I think he does, or he wouldn't keep informed.

Q. You are on oath you know and if you don't know the answer to any question just say that you don't know? A. Well—

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Q. Then you don't know as a matter of fact—have you been to the maritime provinces yourself, Mr. Godwin? A. Once or twice.

Q. You have been there once or twice in the whole of this time? A. Yes.

Q. Then you do not personally inspect the dredging. A. No sir, not down there.

Q. Well the dredges in British Columbia are under whom? A. They would be under Mr. Kieffer.

Q. Who is he? A. One of the resident engineers there, and Mr. Bayfield.

Q. Who is he? A. The superintendent.

Q. Of what, dredging? A. Yes.

Q. A local superintendent? A. Yes, and resident engineer combined.

Q. And the western provinces are also under resident engineers, that is the prairie provinces? A. Yes.

Q. Ontario and Quebec, who do they come under? A. Well directly under the home office here.

Q. Under the home office? A. Yes.

Q. Have you inspectors? A. Yes.

Q. Here in Ottawa? A. Yes.

Q. Who are they? A. We have two mechanical men who are continually looking after these, one in the west and one in this part, who are looking after machinery.

Q. What are their names please? A. Patterson, who has his headquarters at Toronto, and the other is Peter McPlukie.

Q. Are these just hired men outside of the Civil Service? A. Oh, yes.

Q. Who do they act directly under? A. The assistant chief engineer's office

Q. They act directly under the assistant chief engineer's office? A. Yes.

Q. Don't they come under you? A. Yes, their accounts are certified by me.

Q. Do you direct them? A. When they come for instructions about various things I do.

Q. When they come to you you give them instructions? A. Yes.

Q. But the regular channel of communication of instructions is from the assistant chief engineer? A. Yes.

Q. They correspond with him and he with them, I understand? A. Yes.

Q. And it does not come down to your office? A. No, unless they are directed to come to me.

Q. Unless they are directed to come to you? A. Yes.

Q. And all the bills they incur from time to time come through Mr. Walters and to you? A. Yes, they come to me first.

Q. They come directly to you, and you give them to Mr. Walters, and he checks them? A. Yes.

Q. But they get their usual and steady instructions from the assistant chief engineer? A. Yes.

Q. And are responsible to him? A. Yes.

Q. Now these inspectors you have just named, do they confine themselves to inspecting the machinery and hulls of the vessels? A. Yes sir, and to see they are kept in working order, and to see if there is any likelihood of any breakdown.

Q. They are mechanical men? A. Yes.

Q. Have they anything to do with employing the crews? A. No, sir, not unless they get instructions.

Q. I am speaking of their regular duties? A. No, they have nothing to do with employing the crews as a part of their regular duties.

Q. Now what about the Quebec dredges? You have some down in the St. Lawrence haven't you? A. Yes sir, we have.

Q. And below the ship channel you have some below Quebec? A. Yes, sir.

Q. And how are they inspected? A. Just in the same way.

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Q. You have nothing to do with that except incidentally I understand, Mr. Godwin? A. Yes, and if occasions should arise where it would be necessary for me to go.

Q. And such occasions do not arise very often I presume, Mr. Godwin? A. Not recently.

Q. And with regard to all the crews in Quebec and Ontario, take a particular dredge, how is her crew engaged, by whom is her crew engaged and put on her? A. By the home office here.

Q. That is by the assistant chief engineer? A. Yes, that is by orders from the minister.

Q. Of course, but I mean to say the captain for instance, is directly appointed by the assistant chief engineer and the department direct? A. Yes.

Q. And answers direct to them? A. Yes.

Q. The resident engineer has nothing to do with that I suppose? A. No sir.

Q. Well then the crew is employed for the dredge by the captain or in some way by the assistant chief engineer? A. No, the captain applies for his men here.

Q. The captain applies for his men here? A. Yes, and the members or whoever should want to make application for the position do it to the office here.

Q. Practically it falls into the hands of the assistant chief engineer again? A. Yes.

Q. He attends to that? A. Yes.

Q. And you exercise no control over the employment or dismissal of men? A. Oh yes, I recommend both the dismissal and appointment frequently.

Q. What do you mean now when you say you recommend it frequently, to whom do you recommend it, Mr. Godwin? A. To the assistant chief engineer.

Q. In other words he asks you what you think about various men that you have there? A. Yes.

Q. But he does the appointing himself? A. Yes.

Q. And in case of people you don't know anything about recommended by members you have nothing to with that at all? A. No.

Q. What you mean to say is really that from time the assistant chief engineer consults you about various men to see what you know about them? A. Yes.

Q. And officially you have nothing to do about the appointment or dismissal of men at all? A. No, sir.

Q. Then let us come right down to this Mr. Godwin, what have you to do officially, for which you are held personally responsible—what is it you do? A. Well, just what I have said, I supervise the accounts.

Q. You supervise the accounts? A. Yes, to see that they are in order and correspond with the authorities that have been given and also to see that the dredging reports are correct, because they all come to me.

Q. The dredging reports? A. Yes, the weekly reports that come in of the operations of the dredges.

Q. That is of the operations of the departmental dredges? A. Yes.

Q. With regard to that what do you do? A. If I see anything wrong they are immediately sent back to the captain to be corrected.

Q. What could be wrong about these departmental reports of dredging? A. In the first place he might not have them properly filled in, he might have left out the depth of water that he was making or the depth of the cut that he was making would not agree with the amount of water he was told to make, and there are various things in which there can be errors.

Q. Practically in that respect you are just checking the reports for the purpose of information in the department? A. To see they are correct, yes.

Q. Now understand, Mr. Godwin, I am not trying to find fault with you, and I am not trying to depreciate your work at all, but it strikes me that the effective



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working has been taken away from you to a large extent and you really have been deprived of everything, except the mere shadow of control. You have no control over anything whatever, for it is either in the hands of the local superintendent or in the hands of the assistant chief engineer, or in the hands of some one else, and what we are engaged in here is to try and find some real substantial control that you have over something or other.

Mr. LAKE.—I want to find out what you are responsible for, Mr. Godwin.

The CHAIRMAN.—Yes and to see who in the name of heaven and earth manages this thing.

A. Well, Mr. Chairman, if I might be allowed to speak—you know even when it goes from me to the assistant chief engineer, it really goes further up to the deputy minister before any authority will be given to go on with anything like that, unless it is a very small local matter.

*By Mr. Lake:*

Q. When it becomes a matter of policy? A. Yes, it has to go to the head.

*By the Chairman:*

Q. What I see about this lack of system that has grown up, the trail of the serpent seems to be over it all. Really the question who is to be employed as master or crew of a dredge is a matter of political patronage? A. Yes, to a great extent.

Q. You say it is to a great extent? A. Yes, unless we strongly object on good grounds to having a man appointed, then it is rarely they will go against us.

Q. If a man who for some other reason or other was wholly objectionable, was proposed as an appointment, you might hang up the appointment? A. Yes.

Q. But in real actual practice the men that are put on are nominated somewhere by the political machine? A. Oh, yes.

Q. And when the question as to where the dredges shall go at the beginning of a season comes up, that question to a large extent is governed in the same way, that is it goes wherever the strongest representations are made to the department that a dredge is wanted? A. Yes.

Q. That is how it happens? A. Yes.

Q. And it is not always that sitting down and looking at the reports of resident engineers and to where the greatest need of a dredge exists—that is not what always decides where a dredge shall go? A. No, our programmes are frequently changed and practically always, because applications will come in for work that is of a great deal more importance than some places on the programme, and consequently one is left and the other is done.

Q. Now I see two or three things there. We will first take the management of dredges, where they come to be pulled from place to place and the places where they could be worked with the greatest economy of time and everything. With such objects in view, a private concern would leave the management of that entirely in the hands of one man so that all the dredges could be worked as a fleet, in and out together. In the department the question of where the dredges are to go depends a great deal upon a lot of other considerations? A. Yes, it depends of course upon the pressure that is brought to bear upon the minister as to the movements of the dredges.

Q. And just in the same way, if all these dredges belonged to one commercial concern, there would be one husband who would take charge of the employment and discharging of men? A. Yes.

Q. And in so doing he would be governed by their efficiency as proven by experience? A. Yes.

Q. Under the present system of governmental lack of control these things have comparatively little weight, I mean there is not one man sitting down to decide upon the fitness or unfitness of a certain man to be in charge, with regard merely to his

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experience and the quality of his service? A. Well, sir, of course no one can do that for them all. There are so many.

Q. When I say one man I mean that he might have a staff, to assist him, but a large number of outside considerations other than efficiency come in to the employment of these government men, is that not so? A. Yes, sir.

Q. Compared with the efficiency which a private concern looking for dividends would show in the exercise of a similar power? A. Well I don't know what a private concern would do if they had so many dredges scattered over such a great locality.

Q. I will tell you what they would do, they would not have six men where four would do, they would not have crews over-manned—doesn't that often occur in government dredges? A. Seldom sir, it is seldom that we have that.

Q. I want you to be careful in answering that because we have heard it from a higher authority than you—are you familiar with the number of men on each of the dredges? A. Yes, sir, especially the dredges here in Ontario and Quebec.

Q. All right then—I understand you don't know much about the dredges in the maritime provinces? A. No, sir, not very much.

Q. Do you know of any dredges that have to be towed to their dumping ground, that they will have a master of their own, that is a captain of their own, where there is a captain both on the tug and on the dredge? A. Oh, yes.

Q. Is there any need of both? A. There must be a captain of the tug and a captain of the dredge.

Q. Why? A. The captain of the dredge would not know how to run the tug and the captain of the tug would not know how to run the dredge.

Q. What do you mean by not knowing how to run the dredge—do you mean while it is being towed back and forth? A. Do you mean just the towing?

Q. No, at any time? A. The captain of the dredge is the one who operates the dredge.

Q. He is an engineer? A. We call him the captain of the dredge.

Q. Don't you know of dredges in your department where the dredge, although she is towed, and the tow boat has a captain, that is able to look out for her, that the dredge besides the engineer has a captain? A. Not a captain outside of the runner, what we might call the dredge runner, that is the man who handles the dredge.

Q. Are you sure? A. He may have an assistant.

Q. You mean to say, only talking about Ontario and Quebec? A. Yes, sir.

Q. I am talking of the maritime provinces? A. I am not conversant with the crews there, without seeing their pay-list from time to time.

Q. Even in Ontario and Quebec have you personally devoted much attention to the question as to whether these dredges had too many men or not? A. Yes, sir, especially in Quebec. I don't know that it ever occurred in Ontario, but in Quebec it was thought there were too many men on one or two of the dredges, and they were taken off, but they found afterwards that the dredge was not so efficiently handled, and I believe in some cases they had to be put on again.

Q. Is there any book kept in your department which would show how much supplies of various kinds were given in the course of a season to each dredge? A. Not outside of our yard, what is shipped from here. We ship supplies from here very often.

Q. And you charge those against the dredges? A. Yes, the only book kept is our ledger.

Q. Give me the name of some good dredge in Ontario? A. The *International*.

Q. Well now, take the *International*, if I go to your department to-day and ask you how much coal, how much oil, how much waste, and so on, of all different kinds of supplies that vessel has had during the past year can you tell me at once by reference to your books? A. We would have to take it from the ledger.

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Q. You would have to make up an account? A. Yes.

Q. You haven't a book containing a tabulated statement? A. No, sir, not for each dredge.

By Mr. Ducharme:

Q. In your ledger would it be put all in one account? A. Yes, sir, but charged to the different dredges.

Q. But in a lump? A. Yes.

By the Chairman:

Q. You have in the *International* ledger account everything paid out for her during the year haven't you? A. No, sir, the personal account, I believe there is a personal ledger showing the amounts, and then these amounts show themselves what it was supplied to.

Q. Then haven't you a ledger account against the dredge *International* against which all charges for the year are put? A. That is the book that Mr. Cameron has.

Q. Precisely, then besides that you have the book which has been classifying the charges to the various dredges? A. Yes.

Q. Kept by whom? A. By Mr. Cameron.

Q. You couldn't tell me from any books that are in there without making up the account, how much of the various kinds of supplies have been given during the year to each one of the dredges? A. No, sir, it would have to be taken from Mr. Cameron's book.

Q. You have not at the present time any tabulated account showing that, in other words a cost account? A. No, sir.

Q. You couldn't tell me without going laboriously through the ledgers how much coal was used one year compared with another year? A. No, sir.

Q. You could not tell me how much coal was used in comparison with the number of yards of dredging she did, during a day, except by going to work and making up that account? A. No, sir.

Q. You could not give me any idea with regard to lubricating oil, for instance, whether she had twice as much this year as last year? A. Not without making it up.

Q. Now with regard, for instance, to these supplies, when they are wanted, we will take in Ontario and Quebec, the engineer will make a requisition, I suppose, for coal and oil or anything of that sort that he wanted? A. Yes.

Q. And where would that requisition go to? A. To Ottawa.

Q. You mean for the provinces of Ontario and Quebec? A. Yes.

Q. And who would authorize it? A. I would, or I would tell him where to get it, if it was a small thing.

Q. If it was a small thing you would write back to him at once and tell him where to get it? A. Yes.

Q. Could he get it in some cases before his requisition came to you at all? A. Not unless they had to do it to prevent the dredge being idle.

Q. Supposing he had during the summer season sent a requisition for coal two or three times and they were still working in the same place and wanted more coal, in that case he would go and get his coal would he? A. Yes.

Q. He would not send in any requisition? A. Oh yes, he would send in a requisition every time.

Q. But does he sometimes get the coal in such a case as that where he has been before to the same person to get his coal, would he sometimes in such a case as that get the coal before the requisition came back? A. No, he would write again or wire again.

Q. But you never refuse a requisition of a man—say a dredge engineer sends up a requisition for coal, you say yes, and you tell him where to get it? A. Yes.

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Q. And as regards the quantity you take it that he needs it, and when he sends a requisition you say yes, you don't check the quantity? A. We know whether he would require it or not.

Q. How do you know? A. We know the consumption.

Q. But the consumption would depend upon the amount of work which would be done? A. Where she was constantly working, it would depend on whether she was constantly working or not, yes, sir.

Q. But there is a time through stress of weather or something like that she would not be constantly working? A. Yes.

Q. Well, take something which is not so easily arrived at as the consumption of coal—take lubricating oil, which is a large item on a dredge. How do you know when she requires lubricating oil? A. We know her average consumption.

Q. Where do you get your average consumption, Mr. Godwin? A. From past years.

Q. Have you any book showing it? A. Yes, our annual report shows it.

Q. What? A. The annual consumption.

Q. Which you have made up after the end of the year, after the thing is all gone through, and the annual consumption of the year before, but in the mid-summer of this year, you won't know whether a man is exceeding his annual consumption or not. You have no book which will show you—we will say the 1st day of August, now you have no book or account in your department which show you how much oil that that man has averaged during the year? A. Yes, we know just what we have sent him.

Q. How do you know? A. We have the record.

Q. What record? A. It is kept in our press book.

Q. In your letters? A. Yes, what is shipped to him.

Q. Have you put it in a tabulated statement anywhere? A. Only in Mr. Cameron's book.

Q. You have not tabulated it there under the heading of the ship, the oil for instance you have not put the two together? A. Yes, sir, in Mr. Cameron's book. I will show you distinctly. Suppose we sent two barrels of oil, a barrel of cylinder oil and a barrel of other oil, it would show, the dredge *Challenge* or the dredge *Nipissing*, those two barrels of oil will show in Mr. Cameron's book, under the date when it was sent on.

*By Mr. Lake:*

Q. He will have the date the requisition was approved? A. Yes, and he will have the date of the account.

*By the Chairman:*

Q. When you get the requisition in which oil is called for, do you sit down and call for the amount of oil that dredge has already had and consider whether this amount they are asking for is in excess of what they ought to have or not? A. Yes.

Q. That is your regular course? A. Yes, because they generally take oil that will do them for the season or pretty much, and if they ask for more oil I make inquiries as to why they want it.

Q. Now in regard to other kind of supplies, they get it at intervals throughout the season do they not? A. Yes.

Q. When there are requisitions for other kinds of supplies what course do you take when you receive a requisition? A. Well if we haven't it here I send my instructions where to get it, if it is stuff that has been contracted for we have to go to that firm.

Q. Do you not first of all satisfy yourself that he is likely to want those supplies? A. Well, yes, sir, we satisfy ourselves that he wants them.

Q. In what way do you do that? A. By knowing what he has already had.

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Q. Then you do sit down and check the requisitions with what he has already had? A. Oh yes, we find out what he has already received, and if it seems to be right and proper well—

Q. Then you inquire from him why he wants that? A. Yes.

Q. You don't just sit down in a merely mechanical way and send out anything they ask for? A. Oh no, sir, in nine cases out of ten when they ask for—very often they send in a requisition and I will cut it down one-half of what they ask for.

*By Mr. Ducharme:*

Q. How do you cut it down? A. Because I know what they would really require in that length of time.

Q. You judge by your own estimation or by letters that you have? A. From past experience.

Q. You simply exercise your judgment based on your past experience? A. Yes.

Q. You must go on your own experience? A. Yes.

Q. You do not go for information to any books at all? A. No, sir.

*By the Chairman:*

Q. That last answer really sums it all up, in dealing with requisitions: don't you rely entirely on your recollection of the matter, you don't refer to the books, as a matter of fact you have no books ready to be referred to have you? A. We refer to our books to find out when they got the last.

Q. What do you mean by referring to your books? A. What books would you refer to? A. We know our shipment.

Q. By looking up your letter books? A. Yes, our letter book.

*By Mr. Lake:*

Q. Do you have an account for each separate dredge to show you what supplies they have received during the season and the dates on which they have received them? A. No, sir.

*By the Chairman:*

Q. What Mr. Lake and I are both after is this: Have you before you posted up continually under the head of the different dredges and under the columns of the different classes of material a tabulated statement from which you can see at a glance how much of any particular thing a particular dredge has been having from time to time? A. No, sir.

Q. Have you as a matter of fact, at any time carefully examined the qualities of the different materials used by the same dredge in different years for the purpose of ascertaining whether there was any leakage or waste in these things or not? A. Oh yes, sir.

Q. Well, I would like to see how? We will get the book here in a short time. Now, I don't mean casually or incidentally, but do you do it as a practice in the department, keep the cost accounts against the different steamers in which you can tell the cost of material items as they go and see whether they are needing them or not? A. No.

Q. I suppose you know, Mr. Godwin, that in a well conducted commercial establishment cost accounts of a very careful character are kept, showing the consumption of practically everything that is used? A. Yes, sir.

Q. And the cost of everything that is used? A. Yes, sir.

Q. Are any books of that kind kept in the dredging department, Mr. Godwin? A. None but the one I told you of.

Q. Are you sufficiently familiar with commercial practice to say whether your department does keep what a commercial establishment would keep under similar circumstances in the way of books, whether there is a good system of accounting,

cost accounting, in your department? A. Well, in our particular branch it could be improved certainly, but as far as the accountants office. I don't know whether you mean that—

Q. I am only talking about what you know personally, and nothing else.

*By Mr. Lake:*

Q. You mentioned the case of a broken anchor, in conversation just now, now I want you to tell me the course that would be followed to replace that? A. Well, just now, for instance, we have the dredge *Industry* at Collingwood, that is the largest one we have. Our anchors are in a very weak condition. We have contracted for a supply of spare sticks, and they are on the way, and as soon as the sticks are at Collingwood, the captain will have the old ones replaced by new ones. That is in the case of the *Industry*. Then we have a little dredge working near Ottawa. She breaks a spud. The captain will immediately notify us that she has broken anchor and if we have another one it is shipped off to him immediately.

Q. Have you stores? A. We keep spare anchors.

Q. Where do you keep them? A. Right here, for these small dredges that are working near here.

Q. But if you haven't got one in store what do you do? A. We buy it at the nearest place that we can get it.

Q. Who makes the purchase? A. The captain of the dredge is authorized to purchase it if he gives the particulars of where he could get the anchor and at what price he could get it. If the price is reasonable he is authorized to get it.

Q. You have no regular agent who purchases the supplies for the department?  
A. No.

*By the Chairman:*

Q. Now, Mr. Godwin, if you will just retire for a few moments we will examine Mr. Cameron with regard to the books.

Witness retired.

Examination of WILLIAM L. CAMERON, clerk in the Public Works Department.

*Examined by the Chairman:*

Q. When did you first enter the service of the government, Mr. Cameron? A. In 1902.

Q. In what position? A. Clerk.

Q. In the dredging department? A. Yes.

Q. Have you been at the same work ever since? A. Yes sir.

Q. What salary do you get now? A. \$1,350.

Q. You are in what class? A. I am now in Class 2B.

Q. You are getting more than \$1,350 now, are you not, Mr. Cameron? A. Yes, sir, with the statutory increase.

Q. How much are you getting altogether? A. I am running now \$114.79 per month.

Q. How much is that a year? A. \$1,350 and statutory increase of \$50 a year since 1909.

Q. Have you got to the top of your class, as high as you can get? A. No, \$1,600 is as high as I can get.

Q. You have a retirement deduction besides that? A. Yes.

Q. What is your total salary? A. It is \$1,350 together with the statutory increase.

Q. What is the statutory increase? A. \$50 a year.

Q. This year you will be getting \$1,450? A. Yes, I think so.

Q. What were you doing before you entered the service in 1902? A. I was rail-roading, sir.

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- Q. What were you doing? A. Keeping books for my brother.
- Q. You say you were keeping books for your brother? A. Yes.
- Q. Who was your brother? A. J. B. Cameron.
- Q. What was he? A. A contractor.
- Q. A railway contractor? A. Yes sir.
- Q. Then you were just keeping his contract books? A. Yes sir, exactly.
- Q. What did he construct, was he constructing a railroad? A. Yes.
- Q. And you were going out with him on the job and doing his books? A. Yes.
- Q. The books which you keep every year is the book which you have produced here and which I now have before me at the present moment? A. Yes.
- Q. And that is called a statement of expenditure incurred by Dredge.....for the month of.....year.....? A. Yes sir.
- Q. An account is kept for each dredge? A. Separately.
- Q. Separately from any other dredge? A. Yes, sir.
- Q. And in that book month by month you enter up—by the way, what do you call this book? A. A journal.
- Q. It is called the journal and applies to Ontario, Quebec and the maritime provinces? A. Yes, sir.
- Q. It does not cover the west at all? A. Not that book.
- Q. Do you keep any book for the west? A. No, I have not been keeping the accounts for the west this year.
- Q. In this book what is it entered up from? A. All the vouchers are entered, and the pay sheets.
- Q. You get the pay sheets and the vouchers, when do you get them, after the month is ended I suppose? A. Yes, sir.
- Q. Where do you get them from? A. They come to our department.
- Q. They have been first paid and sent back to you by the accountant's office, is that right? A. Yes.
- Q. You get them at the accountant's office? A. I get them in my own office, they come through Mr. Godwin's office first.
- Mr. GODWIN.—If I may be allowed to interrupt here, I might say that the accounts come in triplicate, and the third copy is kept in our office.

*By the Chairman:*

- Q. And after a month is closed you go to work and enter them up in this journal? A. Yes, sir.
- Q. Now when you enter them in this journal you first put down the party to whom this money has been paid, do you not? A. Yes, sir.
- Q. A brief description of what it is, such for instance as hardwood? A. Yes, sir.
- Q. And then you say under a column, chargeable to—and you have under that column the words, 'wages, repairs and fuel'? A. Yes, sir.
- Q. Do you keep a ledger account for the wages and one for the repairs? A. No, sir, we just keep it with the dredge there as you see it.
- Q. You keep nothing else but what is here? A. No.
- Q. There is no way as it is kept, against the dredge *Challenge*, for instance, which I am looking at, under the ledger account showing what her repairs have amounted to there? A. Yes. Repairs are under D.V.R.
- Q. Going across the book I see certain accounts, we will say D.V.R., what does that mean? A. Dredge, vessel, repairs.
- Q. Then I see you have the letters D.P.W., what does that mean? A. Oh, that is Department of Public Works.
- Q. You have Ontario and Quebec, Rockland, L'Original and Rigaud? A. Yes, that is where the dredges are performing their operations.

Q. These three last places I have just mentioned, what provinces are they in, first take Rockland? A. Rockland is in Ontario.

Q. And L'Original? A. L'Original is in Quebec.

Q. Why have you kept Rockland separate from Ontario? A. Because the work done there is charged up to the place or the dredges.

Q. Why not in the other places? A. So we have.

Q. They are working at other places in Ontario besides Rockland? A. Yes, but this is one particular dredge.

Q. She worked in Ontario? A. That is an appropriation of Ontario and Quebec, that you are looking at. We charge up against—

Q. To a general appropriation for Ontario and Quebec? A. Yes.

Q. So if there is an appropriation for a particular place and not against the general appropriation for Ontario and Quebec? A. Yes, that is it.

Q. Now, then if a dredge is working at a particular place you charge repairs apparently against a repair account? A. Exactly.

Q. And everything else for that dredge you charge against the appropriation for that particular place? A. Yes, sir.

Q. Well, then, when you afterwards make a statement of what the dredging has cost at that particular place, don't you put any portion of the repairs into that account or do you just put a general repair account? A. No, I have an account open in the annual report which shows how the expenditure on dredge, vessel, repairs, apart from the general expenses of the dredging, that is the working expenses.

Q. The working expenses are charged against the appropriation to all places? A. Yes.

Q. The repair expenses are charged under the head of repairs? A. Yes, dredge vessel repairs.

Q. You prepare an account for the Public Works Department which is put in their annual report do you not, Mr. Cameron? A. I do, sir.

Q. Have you one with you? A. Yes, I have brought one with me, it is just in pencil, it has yet to be typewritten.

Q. What I was asking about was really this whether in the yearly reports of the department works done at various places were charged with any portion of the repairs on the vessel or whether the repairs were all put into one account? A. The repairs and the general expenditure is charged up to the dredge, but there is a column for each, and you can see them there.

Q. The construction and improvement of dredges, that doesn't go through you at all? A. Repairs?

Q. No construction? A. Yes, I keep an account, that would go under the new dredge plant.

Q. Now, we will take the large expenditures—that year there was \$235,000 spent in British Columbia for construction and improvements, that would go through your office, you say? A. No.

Q. That would be made up in the accountant's office from their sources? A. Yes.

Q. There was construction and improvement \$166,000, that would not go through you? A. No, sir.

Q. That is for dredges, too? A. Oh, yes.

Q. What goes through you is only repairs? A. Yes.

Q. Do you keep in this book the maritime province work at all? A. Not now.

Q. Nor British Columbia, nor anything but Ontario and Quebec? A. I have the work done last year. I haven't the thing here though.

Q. Have you kept it year by year? A. Last year was the first year I kept it for the maritime provinces.

Q. You started last year to keep a book like for for the maritime provinces? A. Yes, sir.



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Q. Not for British Columbia and the west? A. I am keeping a book for the west now.

Q. The bills that you put under the head of dredge, vessel, repairs, are small bills coming in from time to time that have been incurred by the officers, the captain and so on, and vouched for and sent in and paid? A. Yes, sir.

Q. Now then, these bills, do you enter them up in this book? A. It is according as they come in.

Q. Accordingly as they come in? A. Yes.

Q. Are you up to time with this book, for instance, with your book for the present year? A. Yes.

Q. Do you post it up every day? A. I may be a few days back according to the volume of business that comes in.

Q. Then from this book you prepare a memorandum, do you, and statements of various kinds? A. I do, sir.

Q. How often do you prepare these statements? A. Twice a year, the semi-annual and the annual statements.

Q. Is that the statement you showed me just now? A. Yes.

Q. Will you please let me have it again? A. Yes, sir, that is for dredging.

Q. That is a pencil copy of the report for dredge No. 3? A. Yes.

Q. Showing the details of her expenditure, the quantity and description of materials dredged and so on? A. Yes.

Q. And you make that up at the end of every six months? A. Yes.

Q. In order to make that up in that way you have to take a pencil and paper and go over each of these accounts that have been entered up and separate the various items don't you? A. Yes.

Q. From the accounts? A. From the book.

Q. Then you do it from the book? A. Yes, sir.

Q. Well, now, we will take a case, I see here a moment ago—A. I will show you Mr. Morine, the way it is done.

Q. What you do is this, taking this journal at the end of the six months period with a lead pencil and a lot of waste paper you go over and put the items—A. Every item separately.

Q. Yes, under these different heads of Wages, Fuel, Provisions, Stores and Equipment, Repairs, Towage and Contingencies? A. Yes.

Q. And these seven subdivisions contain all you have entered against that particular dredge during that period of six months? A. Yes.

Q. Now Mr. Lake has just drawn my attention to the fact that you have the word Construction there? A. We are building No. 4.

Q. Well now, Dredge P, what does that mean? A. That means Dredge Plant

Q. In that case you do not put it in that summation? A. No.

Q. Now you have made up this account in pencil in the way I have just described? A. Yes.

Q. But you have no book or books in which you classify these items from day to day from the bills themselves? A. I just classify them from the bills themselves, as they come in.

Q. You do not classify them in the way I am speaking about, only at the end of every six months, when you take a lead pencil and make this classification as I have described? A. I do, because we get quite a bill, three or four sheets, and these sheets may continue coal, provisions, doors and other materials that have to be put in all these heads, and I have to total them up separately before I enter them in the book.

Q. Before you enter them in the journal? A. Yes.

Q. And do I understand that you classify each bill for the purpose of entering it in the journal? A. Exactly.

Q. But this lead pencil summation at the end of the six months, you make up and put into a statement, and the result is really in the nature of a ledger account?  
A. Exactly.

Q. Could it not be done by simply keeping a book and calculating it in this way instead of doing it with a lead pencil and paper? A. Exactly.

Q. And make up a total and see if that balances? A. Yes.

Q. And you do that every six months I understand? A. Yes.

Q. Why don't you keep in your department another book of a permanent kind under these same heads that you do put in the statement, you could post up every day the amount that has been paid, for instance, for wages, fuel, or something like that? Why don't you get something in the nature of a ledger account for that purpose? A. It would make the work much longer.

Q. But you would always have it before you in that case wouldn't you? A. Yes.

Q. And you could tell it to us every day couldn't you? A. Yes.

Q. Doesn't it take you a very long time after the end of the six months, a great portion of your time is taken up making this lead pencil statement? A. Yes, of course.

Q. This statement you get out must involve a considerable part of your work doesn't it? A. It certainly does.

Q. And after the end of six months when you have to make up this statement how long would say upon the average it takes you? A. To make it up?

Q. Yes, before you get your statement ready? A. It may take me before I get everything ready for typewriting, it may take me a month.

Q. To get the statement ready? A. Yes.

Q. In the meantime if any one came in and asked you during the six months before you made up your statement, how much had been spent in one of the various supplies, you couldn't tell? A. Every now and again when I have time I add up by month.

Q. But if I went over to you to-morrow and said: Tell me what the dredge *Challenge* has had in any way of fuel and provisions, you would probably answer to me, that will take me a good while to make it up? A. No, it wouldn't take me more than perhaps a day.

Q. You would have to run all through your journal and pick it out and add it up with a lead pencil? A. No, every day I do a portion of it, yes every day I do a portion of it.

Q. But you cannot do a month, say the month of March for instance, you could not do the month of March until March is ended? A. Certainly not.

Q. And all through the month of April when you get a chance you are using your lead pencil and paper and filling out your statement for the month of March? A. Yes.

Q. And in May you will be doing that for the month of April? A. Exactly, you cannot do it until the accounts come in.

Q. Under your system you cannot, because you have to enter it month by month? A. Certainly.

Q. But if you had a book ruled with proper columns for this purpose in which every day you could add any particular invoice you had entered you would have no particular trouble in seeing how much it was every day? A. Up to the time I would get the vouchers for, but sometimes the accounts do not come in regularly.

Q. Of course before you get them you can't do anything with them? A. Certainly not.

Q. I quite understand that. However, I think it is sufficiently obvious. Now even with this detail you have here, you have for instance, stores, equipment, you have no book over there showing in greater detail on account of stores, equipment and so on, have you? A. No, I haven't.

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Q. You do not distinguish between well, oil is not distinguished from waste?  
A. Yes, you see it here.

Q. That is your remarks column? A. Yes.

Q. But you have not any column in which the total amount of oil is distinguished from the total amount of waste, &c.? A. No, sir, it goes into the stores account.

Q. You have no means of comparing year by year the expenditure on a particular dredge for one thing as compared with the same thing at another time? A. We have a dredge list of repairs there.

Q. There is no comparison about that, because if a dredge happened to run upon a rock, the repairs can be very much greater one year than they were the year before?  
A. Yes.

Q. But one of your greatest expenditures is lubricating oil, I suppose? A. Yes.

Q. You have not anywhere anything to show at a glance how much lubricating oil was used by any particular dredge during a certain period? A. No, we have not.

Q. There is nothing which in commercial life they call cost accounting, in your department to any great extent? A. No.

*By Mr. Lake:*

Q. Oil comes under the stores, I suppose? A. Yes, sir.

Q. And rope also comes under stores? A. Yes.

*By the Chairman:*

Q. With regard to provisions on the dredges—well take fuel first, on departmental dredges, is that purchased by tender and contract? A. Sometimes it is and sometimes not.

Q. Sometimes it is purchased by tender and contract and sometimes not? A. No, sir.

Q. In Ontario and Quebec is it generally purchased by tender and contract? A. Not always.

Q. It may be bought locally? A. Certainly, when it is required on the wharf.

Q. And in buying it who does the buying? A. Mr. Godwin does the buying.

Q. Oh, no, he does not? A. He makes a requisition.

Mr. GODWIN.—If you will pardon me, I think Mr. Cameron means when it is bought in large quantities I do the buying.

*By the Chairman:*

Q. Suppose a dredge is lying at a particular place and requires coal? A. The captain will buy it.

Q. He will buy it locally and will buy it from some person that he is told to buy from? A. Yes.

Q. And he may be told that person by Mr. Godwin or the resident engineer, in some way it is conveyed to him who he is to buy from? A. Yes.

Q. Now stores and equipment are bought in the same way as supplies? A. Yes, in the same way.

Q. And as to repairs, all you know about that is that the bill comes to you to be paid and you enter it up? A. Yes, that is all I know about it.

Q. Your whole duty summed up is keeping this book and making this statement that you have referred to? A. Yes, sir.

Q. In the way you have mentioned? A. Yes, sir.

Q. With regard to provisions—I suppose that means provisions for the crew?  
A. Yes, sir.

Q. Are any of these dredges supplied, I mean are the crews of the dredges fed by contracts with a cook or captain? A. Well, the cook boards the men in some dredges.

Q. In some dredges the men are boarded by the cook? A. Yes.

Q. Is that a rule or only an exception? A. I don't know if it is a rule, but they do it.

Q. Well, I will put the question this way, is it more general than the other way? A. It is more general.

Q. That would be in Ontario and Quebec you are speaking of? A. Yes.

Q. You don't know anything about the maritime provinces in that respect? A. No, I do not.

Q. When the cook boards them is there a regular rate per man allowed? A. Yes.

Q. It is the same rate on all dredges? A. It may be about the same rate.

Q. Don't you know from the accounts whether you have a regular stated sum in the department, or if it is a mere matter of contract with a particular cook? A. He boards them at a certain rate per man.

Q. Is that the same rate in every case? A. As a general rule it is, well you see a different rate applies sometimes, they might charge a little more.

Q. Who fixes that, how is that arranged? A. That is arranged of course by the superintendent. He has to see that the board is not charged too much.

*By Mr. Lake:*

Q. How do you distinguish between stores and equipment? What comes under the heading of equipment? A. That is a new form, Mr. Chairman.

Q. The one you have just shown us is a new form? A. Yes.

*By the Chairman:*

Q. This statement which I find in the blue book for 1911 as part of the report of the chief engineer along about page 226, entitled "Classification of disbursements of dredge during the year ending March 31, 1911," the dredge *George Mackenzie* for instance, are these statements made up by you? That would come from the maritime provinces wouldn't it? A. Yes.

Q. Then that would not be made up by you? A. No, sir.

Q. Well we will take some, for instance, in the province of Quebec. We will take the dredge *Duchene*. That is one of the Ontario dredges, is it not? A. Yes.

Q. Well there is a statement on page 313 with regard to the dredge *Duchene*; that statement would be made up by you? A. Yes, sir.

Q. Now that would not include anything in the nature of construction and improvements which had been made in any large way, would it? A. No, that is simply for the general repairs and the general expenditure.

Q. Carried on by the officers under the captain and the general working expenses? A. Yes, sir.

Q. But if she were laid up in the winter and any large or considerable repairs were made on her that would go through another department? A. It might, or it might not. If it were anything in the way of new dredge plant, we would charge it to new dredge plant, but apart from that everything is charged up to the dredge.

*By Mr. Ducharme:*

Q. I see here in your monthly reports, for instance, provisions of certain amounts? A. That is the board for the men during the month.

Q. You do not get any report as to what has been actually consumed? A. No, in that case the men are boarding. This is the cost of the boarding.

Q. You have merely charged the amount for board? A. Certainly, it comes in by the month on the pay-list; the pay-list says so much wages and so much board.

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Q. Well then take the coal, and fuel, that is not purchased? A. That is fuel charged up to the dredge every month.

Q. Coal that you have purchased?—A. Certainly.

Q. Do you ever get any reports from the coal that you have paid for? A. No, it is coal that is purchased.

Q. The moment you send it it is supposed to go and be consumed? A. Yes.

Q. At the end of the year do they make any report as to how much they have on hand? A. I do not get that.

Witness retired.

Examination of Mr. GODWIN, (recalled):

*By the Chairman:*

Q. A few moments ago you volunteered the statement that when a captain was told to buy locally he was frequently told to buy in the cheapest market. A. Yes.

Q. Does that mean that he can buy from any one he likes? A. Yes, not to pay outrageous prices.

Q. That is not the point. You said a moment ago that he was given a list of persons from whom he was to buy, he is told to buy from these men on the list? A. Not in all cases.

Q. In the majority of cases? A. Yes.

Q. Well we won't deal with the exception, we will deal with the rule. When he is told to buy from a particular man how can he buy in the cheapest market? A. He is instructed not to pay more than the local rate.

Q. Not to pay any more than the local rate? A. No.

Q. But he is not able to go around to Tom, Dick and Harry, and ask them what they will sell for? A. He will ask them the price of coal, I have done that many a time.

Q. Well, when you say he does, you are only guessing at what he does? A. He is instructed to find that out, I send instructions to that effect every day.

Q. You may have some cases in which you have instructed him, but we are talking about the general rule, not about exception. The general rule is that if a man wants to get coal at a certain place he is told to buy from a certain man isn't that so? A. Yes, sir.

Q. And he has to get it from that man and no one else? A. No, I think it is rare that that is ever done, I don't know of that being done.

Q. What do you mean that is done? A. That I am to go to a certain man.

Q. Well what you meant—A. Just as I said Mr. Chairman, that he is to buy where he could buy cheapest.

Q. I want you to produce for me any instructions you have given the men, to bring me down letters of a general kind, showing general instructions, and particular instructions, particularly to show me where you have ever told a man to buy in the cheapest spot wherever they could get it, and also to bring me down letters or copies of your ordinary instructions to men who are buying stuff? A. Yes, sir.

Q. You can select some letters illustrating your general practice in the department? A. Yes, sir.

Q. Now, at the end of the year these dredges are laid up in various places I suppose? A. Yes, sir.

Q. Well, you have several dredges in Ontario, have you not, Mr. Godwin? A. Oh, yes.

Q. Well in Ontario you have more departmental dredges than you have in Quebec? A. No, sir.

Q. You have more in Quebec than you have in Ontario? A. Yes, sir.

Q. Where are the Quebec dredges laid up? A. Some in Quebec, I think only one in Quebec, and two in Montreal.

Q. Then those Montreal dredges were dredging up this side of Montreal? A.No.

- Q. Are they not above Lachine? A. No, the Montreal ones are below Montreal.
- Q. The ship channel is in the Department of Marine and Fisheries? A. Yes.
- Q. Your dredges below Montreal must be in small rivers flowing into the St. Lawrence? A. Yes, rivers and harbours.
- Q. Both rivers and harbours? A. Yes.
- Q. Are they taken to the same place every fall to be laid up? A. No, sir.
- Q. Just wherever they happen to be? A. Yes, if it is a suitable place.
- Q. And if it is not a suitable place they are taken to the nearest suitable place I suppose? A. Yes, sir.
- Q. Now are the crew, the captain and so on, kept on during the winter? A. No, sir, not all the crew.
- Q. Who are kept on in the winter? A. Well in the winter there is a captain, a cranesman, engineer and fireman if they require him.
- Q. The fireman is there if he is required? A. Yes.
- Q. Well, is an account taken of their stores at the end of the year, of their stores and equipment? A. You mean of what there is on hand?
- Q. Yes. A. No.
- Q. There is no account taken at the end of the year? A. No.
- Q. The stores of a dredge would include coal, oil, provisions, ropes and various small matters, those would be the main things? A. Yes, we don't have any as a rule, they generally run out.
- Q. You judge that they run out? A. From past experience when I was around attending to those matters.
- Q. But that is mighty unfair to draw a general deduction of that kind of people. People may have been honest in your time and not honest now. They may or may not have stuff left on hand at the end of the season, and you know as you get a pretty general requisition at the spring of the year for fresh supplies don't you? A. Yes.
- Q. But as a general practice no attempt is made at the end of the year to take an account of stock in each one of the dredges to see what is there when she lays up? A. To take an inventory you mean?
- Q. Yes, to take an inventory? A. No, sir.
- Q. You do not require the officers to take an inventory? A. Not now.
- Q. It was required at one time? A. Yes, when we had two or three dredges.
- Q. But now that you have more dredges you don't have it done? A. Not generally, no.
- Q. You don't have it done now that you have more dredges you say? A. No.
- Q. Upon the principle, I suppose, there being so much more, there is no use to try to watch them. Do you keep your communications with captains of dredges? Have you on file at your office files of correspondence? A. Yes, sir.
- Q. Would those be filed under the names of different dredges or do you just have a file of regular correspondence covering a month or something of that sort? A. Yes, they would come under the different dredges.
- Q. Right in your own department? A. Yes, sir, I was going to say that our filing system is very much behind owing to lack of help, but I can get you anything you require.
- Q. All the correspondence in your department—has that been filed away in the records office or is it still in your office? A. In my office, what is done in my office.
- Q. What is done in your office is filed in your office? A. Yes.
- Q. And right back for a considerable time you have the files in your office? A. Oh yes, sir.
- Q. That will assist us more or less, all communications about the dredges and handling them, and all that sort of thing? A. Yes.
- Q. And will give a pretty fair idea of the general work you have to do, wouldn't it? A. Yes, sir.

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Q. Well, I think I would like to have a file of that correspondence? A. I would like you to see it. You can see my instructions and it will show you better than I can explain it.

Q. We will take the instructions for the last year, 1911, you might bring down the file of correspondence and we will meet again at half past two and you bring down the file of correspondence and I think that that will illustrate your practice perhaps as well as anything.

*By Mr. Ducharme:*

Q. Why do they come and ask you for special things such as anchors, when they are broken and things of that kind, why do they sometimes apply to you? They always apply to me, because they are under the control of that branch. We have to supply them with repairs.

Q. Why not address Mr. Howden? A. On account of Mr. Howden being away so much it would be better to address me. Of course, some do address Mr. Howden, but their letters are referred to me when Mr. Howden is away. Now some of these big dredges in Quebec there, they would write to Mr. Howden if he was in Ottawa, and then Mr. Howden would refer it to me.

Q. And it would be sent to you? A. Yes, referred to me.

Q. If Mr. Howden is not in Ottawa, what becomes of that letter? A. It goes to me.

Q. It goes to you when he is not in Ottawa? A. Yes.

The Commission then adjourned until 2.30 in the afternoon.

At 3.00 in the afternoon the Commission reassembled and the examination of Mr. Godwin was continued as follows:

*By the Chairman:*

Q. Who is your filing clerk, Mr. Godwin, who does the filing in your department? A. In our branch?

Q. Yes, right in your office? A. There is more than one, they have the new filing in there, and every one is supposed to take the letters and file them away, where they are in a proper place.

Q. Haven't you one clerk in your office who is called the filing clerk? A. No, sir.

Q. Well whether he is called a filing clerk or not is there one person in your office who is supposed to file the papers away? A. No.

Q. Do you mean to say that every one files as he likes? A. Yes, every one who has to do with the correspondence and letters, now there is one person for instance, looking after accounts.

Q. Who is that person? A. Miss Connery, she looks after our accounts and the ledger. She will file the accounts. Now there is the correspondence that goes out of my office.

Q. Now, about your office, who in your office looks out to file the letters, who keeps the actual file in your office? A. There is no one particular person.

Q. There is no particular person in the office to look after the files? A. No, sir.

Q. Who have you in the office besides yourself, in your own individual room, where you sit? A. No one but Miss O'Hanly, the stenographer.

Q. No one but Miss O'Hanly the stenographer? A. Yes.

Q. Is she supposed to look out for the filing of your correspondence? A. She is supposed to look out for the correspondence, but not the filing, that is taken out to the outer room.

Q. She simply takes down letters at your dictation and writes them down and sends them away? A. Yes.

Q. Then everything is taken out to the outer room, the copies of the letters and so on? A. Yes.

- Q. Where are they taken? A. To the next room where Mr. Cameron is.
- Q. That is the superintendent's room, isn't it? A. No.
- Q. How many rooms have you in the basement there? A. There is my office, where Mr. Cameron is, that is two, then the draughting office, next where Walter's is, and then Mr. Howden's room.
- Q. That is along near the door where you come out of the basement? A. Yes.
- Q. Who is in that room? A. Mr. Huot and Mr. McClukie and one stenographer.
- Q. Who is Mr. Huot? A. He is a clerk.
- Q. What are his duties? A. His duties are to look after the reports that come in for our own departmental dredges.
- Q. That is reports of the work they have done? A. Yes.
- Q. Now when the private correspondence leaves your office into which hands does it go? A. Out into Mr. Cameron's office.
- Q. It goes into Mr. Cameron's office? A. Yes.
- Q. In Mr. Cameron's office, who keeps the files? A. Miss Connery.
- Q. Miss Connery you say? A. Yes, but she has also to look after the accounts you see and the ledger.
- Q. What accounts and ledger is it she keeps? A. The personal ledger.
- Q. What do you mean by that? A. What I explained to you this morning, where all the accounts are entered as they come in.
- Q. From individuals you mean? A. Yes.
- Q. You mean to say you enter an account to their credit and charge them with a cheque when it is paid? A. We only charge when it is passed.
- Q. When it is passed? A. Yes.
- Q. What do you charge it to? A. Whatever appropriation it should go to.
- Q. She is the bookkeeper for that part? A. Yes.
- Q. And you say she has to keep the files of letters too? A. Yes.
- Q. Now Mr. Godwin, you say you used to file under what you call the Shannon system? A. Yes, the old Shannon system.
- Q. And now you have another system? A. Yes.
- Q. How long ago did you change the filing system? A. In the last six months, I think.
- Q. That system is simply what is called McGregor's Tabulating System? A. No, that paper on which you see McGregor's Tabulating System is only a thing in which I put the letters to bring them down.
- Q. What system are you using now? A. The Eclipse, those are files you know.
- Q. Now then I ask you, Mr. Godwin, to show me a copy of some of your letters? A. Yes, I just brought down a few of those to show you what I did.
- Q. For instance, you have brought me some letters for 1910? A. Yes.
- Q. And I find a letter here from the captain of Dredge No. 3 to you saying that he will not purchase any more supplies without authority? A. Yes.
- Q. There are other letters at that time which would indicate that you sent out a circular letter to the different dredges? A. Yes, you will find it there, sir.
- Q. A letter addressed by you on the 8th of June, 1910, to all the captains saying that they are to purchase no supplies of any kind whatever without first sending a requisition and receiving authority? A. Yes.
- Q. Unless a breakdown or something of that nature should occur? A. Yes.
- Q. Then you have already explained what they do under those circumstances, they send in a requisition and you endorse it and it goes back to them and they buy the articles? A. Yes.
- Q. You have not yet told us, and does anything here explain how they know what persons to buy from? A. Yes, it shows from the correspondence.
- Q. You say the correspondence will show that? A. Yes.
- Q. You give me then some correspondence that passed in 1911? A. Yes.



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Q. On the 7th of April you sent a memorandum to Captain Blondin as follows.—  
 “You are authorized to procure 50 pounds of putty and 2 putty knives you asked for at Mr. Bell’s. Of course first see the price is right.” Now there you tell the man to buy at a particular place. Now where was Captain Blondin at? A. Where the letter is addressed to.

Q. It is not addressed, it is only a memorandum to Captain Blondin. Do you remember Mr. Bell’s store, do you remember where it is? A. Yes, that is at Mattawa.

Q. How did you get Mr. Bell’s name, who would give you that name to buy at, who would tell you to buy at Bell’s? A. That would come from the department to me, as a man on the patronage list.

Q. What somebody would tell you? A. It would come through the chief engineer to me.

Q. You mean the assistant chief engineer? A. Perhaps so far back as that it was before the chief engineer was appointed.

Q. This is 1911, last year, he was there all last year?

*By Mr. Ducharme:*

Q. When was he appointed? A. The assistant chief engineer you mean?

Q. Yes. A. It must be two years ago.

Q. And before that I understand there was none? A. No, before that there was no assistant chief engineer.

*By the Chairman:*

Q. Well, since Mr. Dufresne has been there in charge of the dredging, when you get the name of a person to patronize, do you get it from Mr. Dufresne or his office? A. Some from him, some from the deputy minister.

Q. Do you mean to say that the deputy minister comes and gives you instructions at times as to who to buy from? A. He does not come to give the instructions, but I get lists of names, patronage lists from the deputy minister, and some from the assistant chief engineer.

Q. Do you mean to say any of them come to you, not to be the assistant chief engineer, but straight from the deputy minister to your office? A. Sometimes.

Q. Sometimes they do? A. Yes, sometimes.

Q. Then in that matter you are confined to taking your instructions from the assistant chief engineer? A. Not if I receive them from the deputy minister.

Q. But do you receive them from the deputy minister or the minister? A. Sometimes I have received them from the deputy minister and sometimes directly from the minister.

Q. You say sometimes you have received those instructions directly from the minister? A. Yes.

Q. Now I want you to take a memorandum to produce any correspondence within the past three or four years from the deputy minister or from the minister concerning patronage? A. Or for other matters sir?

Q. Yes, or for other matters. A. I suppose with regard to employing men?

Q. Yes, I want you to give me anything that comes direct from the minister or from the deputy minister direct to your office, because it ought not to come. It ought to come in its proper channel. When you get names of persons to patronize in any way do you make a list in your office? A. Yes, we have a list.

Q. A regular patronage list? A. Yes.

Q. I wish you also to produce a patronage list, do you make up a fresh list every year? A. Not before this year.

Q. On account of the change of government you had to make a new patronage list this year I suppose? A. Yes.

Q. And before that you had a list, and you would add to or change it from time to time as you got instructions? A. Yes, the different people we were dealing with.

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Q. Sometimes you would add a name or sometimes you would take a name off, I suppose? A. Rarely that we would take a name off.

Q. But you might? A. We might.

Q. Would your instructions about that always be in writing or would they sometimes be verbal? A. Oh, verbal.

Q. And you say you may get those instructions from the minister or deputy minister or the assistant chief engineer? A. Yes, sir.

Q. Yes, or any man above you? A. Yes—no, let me correct that, not any man above me. I wouldn't receive instructions from any one lower than the assistant chief engineer.

Q. Would you ever add or change a name on the list at the request of a member of parliament for instance? A. No, decidedly no.

Q. Now then, here you tell this Captain Blondin to go to Mr. Bell's and you say to first see that the price is right. What do you mean by that expression, what could the captain do? A. He could see that it is not an over charge.

Q. Suppose the captain found there was a difference in price between one shop and another, could he get it from the cheapest shop? A. Yes, sir.

Q. In this memorandum of this letter you have written to him you have told him to get it from Mr. Bell? A. If the price was right.

Q. But you first told him, you said see that the price is right. I understand if that price was an over charge you would expect him not to get it without communicating with you, but would he have the right to go to another shop and get it? A. Not without an explanation.

Q. Have you ever known a captain to refuse goods on the ground that the price was not right? A. Just for the moment, Mr. Chairman, I could not tell you.

Q. I should think you could. I don't think you would ever get a captain refuse to take goods on a letter of that kind because the price was not right? A. I have had communications from captains stating that they were too high.

Q. And stating that they did not take the goods? A. Yes, I think I can discover that correspondence.

Q. Will you also produce any communications from captains or others refusing to accept goods on the ground that the price was too high? A. Yes, I will look for them.

Q. Now I find a letter here addressed to Captain Brousseau, the 17th of July, 1911, authorizing him to buy soap and washing soda? A. Yes.

Q. And this is in that letter: "Of course be sure you purchase from the right parties and that the prices are right." That word "right" of yours seems to be a very favourite word. What do you mean by the expression "the right parties?" A. Reliable parties whose goods are all right.

Q. Now do you mean to say Mr. Godwin, that in that letter you used the word "right" in the sense of reliable? A. Well, yes sir.

Q. Now don't you mean the parties that he had been told to buy from? A. Not by me, because in that case I never told him.

Q. If you did not tell him before that, didn't you mean the parties of the proper political stripe? A. Not altogether, Mr. Chairman.

Q. Well, just tell me what did you mean by telling him to purchase from the right parties? A. What I meant principally was to purchase from the regular store-keeper who would give him the goods such as he needed, not to go to work and buy from the shoemaker, but he should buy from a grocer.

Q. Do you mean to say that is what you meant when you told him to purchase from the right parties? A. That was principally it.

Q. You meant if he was going to buy washing soda not to go to a shoemaker to get it? A. He couldn't go to anybody and get it.

Q. Of course he wouldn't go to a milkman to get washing soda. Now you didn't mean to tell him to buy groceries to go to a grocer, because his own sense would be

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enough to tell him that. You must have meant more than that, Mr. Godwin? A. No, I meant for him to get from the proper dealers in that line.

Q. You say then that you meant in telling him to buy soap and soda that he was to get it from men who dealt in soap and soda? A. In that line, yes.

Q. In that line of thing? A. Yes.

Q. Now was that the real meaning of that expression? A. It is the principal meaning, yes sir.

Q. The prices are right, means the prices are proper? A. Yes.

Q. How is it that you used the word "right"? A. To see that it is not an over-charge.

Q. How is it that you used the word "right" in one place in the sense of proper, and in another place where the sense is "regular"? A. Yes, not an over charge.

Q. In one case when you speak of the word "right" to mean not an over charge? A. Yes, sir.

Q. And when you use the word "right" with regard to the right parties, surely you must have the same meaning to it as you had with regard to prices. There is no sense whatever in telling the captain to buy groceries from a grocer, because he knows that. Now don't you mean that purely and simply—I am not blaming you for it, it is part of the ordinary routine office—but don't you mean he was to buy from people on the government patronage list? Isn't that what you really meant? A. No, not entirely, sir.

Q. Well chiefly then? A. No, I wouldn't say chiefly, because they had never got any instructions to do that.

Q. They always got instructions to do that? A. Everything being equal.

Q. No, not even everything being equal. Now what is the use of putting it that way? You had a patronage list and are told to buy from those people. It is not everything being equal, not anything of the kind. They have no right to go and buy from any one who is not on the patronage list. Isn't that a fact? A. Well I have, sir.

Q. But you don't practice it? A. No, I don't practice it, no, but Mr. Chairman, do you suppose we would pay more for goods if we could get it from a man across the street at a less price?

Q. No, but you wouldn't buy it from the man across the street at a less price, but I will tell you what you would do. You would go and tell the man on the patronage list that he was charging too high and that you could get it from the other man across the street at a certain price, and that you expected to get it from him at the same price. You never buy from an opponent of the government if you can help it? A. No, not if we can get it as cheap.

Q. You know you wouldn't be expected to do it—your superior officers would speak to you? A. Yes.

Q. Well then let us call a spade a spade? A. Everything being equal we would give the preference to the party in power.

Q. Now that is not a fair expression Mr. Godwin, you are expected to buy from your own friends, that is from the friends of the government, but you are told not to pay them unduly high prices, that is all? A. Yes.

Q. And you try to get them within limits as far as you can? A. Yes.

Q. But at the same time you make purchases from the supporters of the government for the time being? A. If the prices are right.

Q. But even if they are not right, you do not go to the opponent to buy, but you try and get the friend of the government to come down in his price, don't you? On the 18th of November, 1911, that is last year, you sent out a circular letter apparently addressed to the captains of the dredges? A. Yes, sir.

Q. About purchasing without authority? A. Yes.

Q. And you say here in this circular that accounts are continually coming in for goods supplied to your dredge which have been purchased without any authority from this office? A. Yes.

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Q. Was that true? A. It was only a circular; it was only for some of the dredges.

Q. It was true with regard to some of the dredges? A. Yes.

Q. And you say in this circular that they must have a requisition and permission given to purchase the goods? A. Yes.

Q. What was the occasion of sending out this circular last November? A. This circular?

Q. Yes. A. It was to prevent them as much as possible from purchasing without requisitions.

Q. In the first place who directed that that should be sent out? A. I don't know, sir, if there was any direction. I think it just came from myself.

Q. Now from this correspondence it would look as though a very large portion of your time were taken up with receiving requisitions, directing the men where they were to purchase, or if you have the goods in store, directing that they should be sent out? A. Yes.

Q. So that to a large extent your work is that of the purchasing agent? A. In some senses, yes.

Q. Controller of supplies, as it were, and that sort of thing? A. Yes, I have brought separate files in order to show you the method in which it was done.

Q. You have picked these out from separate files? A. Yes, because they are of very different dredges.

Q. In this present method of filing, are you filing under the head of different dredges? A. Yes, different dredges.

Q. It would give us a better idea of the work, wouldn't it, of the work that you have to do, to take a file for one dredge and run right through it and see what you have to do. Have you any idea of the number of letters you send out from your department in the course of one season? A. No, sir, I could tell you by looking it up, but of course I cannot tell you just now.

Q. One stenographer does your work? A. She does just the correspondence.

Q. Does it keep one typewriter busy just to do your correspondence? A. Yes, sometimes more.

Q. And you just picked these letters out of the different files to show us? A. Yes, I told them what you wanted.

*By Mr. Lake:*

Q. On page 312 of the blue book I see you have reports of the work done by the different government dredges and a statement as to the cost per cubic yard for doing that work? A. Yes, sir.

Q. How do you make up your estimate as to the cost of that? Is it simply the cost of working the dredge that enters into your calculation or do you charge anything for depreciation of plant? A. No, we do not take that into consideration at all.

Q. Do you make up this statement? A. Yes, the annual report is made up in our office, for the dredges under our control.

Q. Now do you make any estimate at all of the depreciation of the plant each year? A. No, sir, only in special cases, where we might be renting a dredge to a contractor or something of that kind, which very rarely occurs, and then we go to work to find out the actual cost of the plant.

Q. Can you say from recollection what percentage you estimate as depreciation on plant generally in such cases? A. Not from recollection, I could show you a statement that has been made though.

Q. Then for the purpose of comparison with work done by contract this statement is of practically no value? A. Not without you take into consideration the depreciation of the plant or the amount of money invested in the cost of plant.

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Q. That is to say without you take into consideration the interest on the government investment and the depreciation on the value of the plant? A. Yes, that is not put into the statement at all.

Q. And you have no return whatever which will show that calculation? A. No.

Q. I think it would make your report of very much greater value if you put that in? A. Well, would it not be difficult to arrive at that. Of course not at interest on the investment.

Q. I presume that all private companies would make estimates of what it would cost them in the way of depreciation of plant? A. Yes, but we are keeping that dredge up and repairing her every year.

Q. Are the repairs to the dredge entered in this return? A. Yes.

*By the Chairman:*

Q. One moment, right on that line, we will take the dredge *Challenge*, for instance, she was occupied in Quebec in 1910, was she not? A. Yes, in the province of Quebec.

Q. She got during the summer, of course, through April, May, June, right along, a number of things which are charged to repairs? A. Yes.

Q. When after the season was over, when she would be laid up for general repairs, where would she get those? A. That would be here.

Q. At Ottawa? A. Yes, that is what we call extraordinary repairs, that is the spring repairs.

Q. You have a place here in Ottawa on the island somewhere, where you can repair the dredges? A. Yes, what you call a shipyard.

Q. Who runs the shipyard? A. It is run under my office.

Q. Under your office? A. Yes, sir.

Q. What is the pay-list of the shipyard charged to, under what account? A. It is charged to dredge, vessel, repairs, and if it is new plant they are working on it is charged to new plant, for instance, we are building a new dredge now, there is so much of that charged to new dredge plant, and so much to dredge, vessel, repairs, if they are repaired, and so much to Ontario and Quebec, whatever would be outside of that.

Q. Now then, if a particular dredge is brought in to be repaired and the draft of men there are working repairing the dredge, how do you get for the purpose of charging against that dredge, the value of the work which the draft has done on her? A. Just by keeping the time of the men, so many men on that and the amount of material used on that.

Q. So you charge that against the dredge and credit it to the shipyard? A. Yes, sir.

Q. So as to keep the shipyard account going as far as possible? A. Yes.

Q. And does that account bear in its table of detailed expenditure that you have given us here? A. The shipyard does, yes.

Q. In that statement which Mr. Cameron brought us down to-day? A. Yes, and those bills are charged in there, and the men's time, and the materials.

Q. Now in some way, suppose some of the Quebec dredges working for your department are repaired at Sorel, is the amount of work charged against her put in here? A. It would go in the annual report, any charge to the Ottawa shipyard.

Q. But would it go into this current report here? A. Yes, all those improvements would, if they go to Sorel, we generally get it done by the Marine Department, and they return us accounts for that work, and that goes through the same as ordinary accounts.

Q. Now to come back to what Mr. Lake was asking, with the exception of the allowance for wear and tear and interest upon capital and the cost of the dredges, all the cost of the dredges are put into these tables? A. Yes.

*By Mr. Lake:*

Q. Can you give me the initial cost of any dredges employed by the department last year? The cost of construction—was there one constructed last year? A. The last dredge constructed was No. 4, I think. She is now sent down to the maritime provinces. She would cost in the neighbourhood of \$100,000.

Q. She was employed last year? A. Oh yes, sir.

*By the Chairman:*

Q. Some of your dredges year after year are being dropped out, I suppose? A. Yes, one dropped out this year

Q. What one is that? A. The old *Challenge*.

Q. The dredge *Challenge*? A. Yes, we have been trying to keep her and have been repairing her.

Q. She was broken up? A. She will be, yes.

Q. Did you have any go out of commission last year? A. No.

Q. Have you had any lost from time to time? A. No, sir.

Q. Do you keep them insured? A. No, sir, the government does not insure any ships at all.

Q. Since you have been in the department have any of the dredges been lost at sea? A. Our dredges?

Q. Yes. A. None, sir, that comes under my supervision.

Q. Several of them in your time have been broken up and abandoned? A. Yes, and rebuilt two or three.

Q. Some of them have been entirely re-built? Of course, if they were re-built it would be charged to repairs? A. Yes, what I mean by re-built is this: We would take possibly the old machinery, it would be in better shape than the hull, the hull perhaps would be useless but the machinery would be in pretty good order, and we would take that and put it into a new hull with overhauling and repairing.

*By Mr. Lake:*

Q. What do you estimate the life of a dredge such as you have just spoken of, No. 4? A. Without any extraordinary repairs or without her being broken up?

Q. Without her being broken up. A. Twenty years, it depends entirely upon the officials though of course.

Q. At the end of twenty years you consider she would be useless? A. Yes, it would not pay to put any ordinary repairs on her.

*By the Chairman:*

Q. Under the head of harbours and rivers in 1911, I find a construction and improvement amounted to \$549,461, and repairs to \$187,358. With regard to these two items they are not charged under the head of dredging at any particular places where dredging was done? A. Well that statement would not come from me at all, because I never made any such statement as that.

Q. That is what I am trying to get at. It must have been in the accountant's branch, charges on these accounts that did not come through your books? A. Yes, that did not go through my office.

Q. That would indicate that there must be large charges concerning some things about the dredges which do not pass through your office? A. Yes, sir, those accounts you have right there, and in the wording of that, I never put in the word 'construction' in any of my reports.

*By Mr. Lake:*

Q. Now take on page 281 of the Public Works Report of 1911, is that the expenditure for works done by—government dredges, or is it the total expenditure? A. That is a thing I couldn't tell you sir.

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Q. Is that table made up in your office? A. No, sir, that is for the maritime provinces. It is the total expenditure for the past nine years. That must be the whole thing.

Q. These tables are all prepared by Mr. Kingston are they? A. They must be.

Q. Do you prepare any tables for the blue books? A. Only one annual report, that is prepared in my office.

Q. Does your department do the dredging at Sorel itself? A. Oh yes, we have.

Q. Isn't that in the Marine Department? A. They are supposed to do the principal part of it, but we have dredges in front of the wharf there.

Witness retired.

Examination of J. B. ST LAURENT, of the accountant's office, in the department of Public Works

*Examined by the Chairman:*

Q. What is your precise position, Mr. St. Laurent? A. I am one of the assistant accountants looking after the signing of cheques and supervising the accounts and certifying some accounts and accounts of paymasters, and so on.

Q. The accountant is Mr. Kingston, I understand? A. Yes, sir.

Q. Who is next to Mr. Kingston in that office? A. I am next to Mr. Kingston considering length of service because I have been there for thirty years.

Q. But what I really meant was seniority in the office according to the importance of position. Are you all just on the same plane in the office? A. Considering the work I think I am senior.

Q. Mr. Kingston is called the controller? A. Yes, sir.

Q. And then there is yourself—what salary do you get, Mr. St. Laurent? A. \$1,900.

Q. Is that what you get now? A. Yes.

Q. You are just called a clerk, and are in class 2-A? A. Yes.

Q. You have been in the service since 1882? A. Yes.

Q. Steadily? A. Yes.

Q. You didn't go on the permanent staff until 1908? A. Exactly, I was two years with the chief engineer's staff, as a surveyor, and in the draughting office.

Q. Did you have any profession or training? A. I was a draughtsman at the time.

Q. And now you are really an accountant? A. Yes, sir.

Q. Keeping books and so forth? A. Yes, sir.

Q. Now, Mr. St. Laurent, in connection with the accountants office, how many clerks are there altogether? A. I think there must be close to thirty.

Q. There must be? A. Yes, close to thirty. I don't know exactly how many, but there may be 27 or 28 or 30, I am not sure.

Q. How many different offices do the accountants occupy, your branch? A. Well, seven offices. that is I mean to say apartments, because we have outside offices besides that.

*By Mr. Lake:*

Q. Does your branch make up the cost tables, expenditure? A. Yes, the total expenditure must be there, I think the last year we had somewhere around sixty millions.

Q. Well at page 294 the details of expenditure are given for the dredge No. 3 belonging to the Maritime Dredge and Construction Company? A. Yes.

Q. What do the wages given there refer to? A. Well at Ottawa, we have several letters of credit. We use our letter of credit, that is to say from Halifax to Vancouver, for everything except the maritime provinces dredging, which are paid by a special letter of credit. That is paid by a special letter of credit paid by the officers down in St. John.

Q. You cannot tell me what that statement in your report refers to? A. Well, that is not my part.

Q. Nor can you tell me what these contingencies refer to in a general way? A. That is the same thing that is paid by the letter of credit in St. John. We have several letters of credit.

*By the Chairman:*

Q. Now on the inside service there are various apartments and you have one of these apartments say looking after the civil government salaries? A. Yes.

Q. And another after contract payments? A. Yes.

Q. And another contains the ledger keepers I see? A. Yes, sir.

Q. Now in what department are you, Mr. St. Laurent? A. I am in Room No. 25.

Q. In what? A. On the fourth floor.

Q. Are you a voucher clerk or what? A. Signing the cheques for all that comes under me, every payment of the work from Halifax to Vancouver, except what is paid by special letter of credit in the maritime provinces.

Q. Would those be passed and added to the department cheques? A. Yes.

Q. You see here on a plan supplied from your office—you say you are in the cheques branch of the chief accountant's office, and you have to deal with series B and D? A. Yes.

Q. Now B refers to what? A. Harbour work in Quebec and Ontario and Manitoba.

Q. That is what B refers to, harbour works in Ontario, Quebec and Manitoba? A. Yes, and part of the Northwest, Saskatchewan and Alberta, and occasional accounts from British Columbia, but very few, because we have a letter of credit there, and in the maritime provinces also.

Q. Series B you are dealing with harbour accounts only? A. Yes.

Q. Does series B deal with harbour accounts all over the Dominion of Canada? A. Yes, except those paid by letters of credit in British Columbia.

Q. And that is all? A. Well, in British Columbia and the maritime provinces, as I have said before.

Q. Are harbour accounts paid by letters of credit? A. No, they are paid by Mr. Miner, who has series P.

Q. Then British Columbia and the maritime provinces are not in your office? A. No.

Q. But they go in the office of series G and P, Mr. Miner? A. Yes.

Q. Now with regard to the dredges in your office, British Columbia and the maritime provinces are not there? A. No, they are not there. I pay some occasional accounts for the dredging department for the maritime provinces, sometimes they are referred to me. I pay all the dredges from Quebec down to British Columbia.

Q. All the dredging accounts in Quebec and British Columbia are paid by you? A. Yes.

Q. Now, when goods have been purchased, the bill is certified and sent to the dredging branches, there they are certified and sent on to Mr. Chalifour I understand. A. Yes, he certifies, that he has authority to certify for the chief engineer.

Q. He certifies for the chief engineer? A. Yes.

Q. And then it comes to your branch, is that right? A. Yes.

Q. And comes before you? A. Well, they don't come direct to me, they go to the checker, who is supposed to check every account that comes through the office branch, no matter what they are, they go to the checker to be checked, to see if the account is correct.

Q. In whose office is he? A. Miss Alice Valade.

Q. She is the checker? A. Yes.

Q. What is she called? A. Checking clerk, I think.



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Q. She is in the department called here on the plan, 'checking of accounts'?  
A. Yes.

Q. And every account that comes into the whole of the accountant's branch has to go before her? A. Yes.

Q. No matter where it is from? A. Yes, and then they go from her office into an entry book which is kept actually by Mr. Miner. He enters this in a kind of journal and they are charged to whoever has charge of the payment of the account.

Q. But the payment of the account goes to you? A. Exactly, after it has gone through those two offices.

Q. At any rate when it comes to you, you have nothing to do except to pay it?  
A. Well, to see that it is certified by whoever should certify it.

Q. That is you see it has the proper certificate upon it? A. Yes.

Q. And then you make out the proper cheque for it? A. Well, to see if there is an appropriation that—if it is charged to an appropriation, sometimes not knowing exactly how a thing is done, it might be charged to a wrong appropriation. We have control of the appropriations in our branch.

Q. The appropriation has been made and your branch notified of that appropriation? A. Yes.

Q. Well, assuming it is all right you issue the cheque? A. I have three parties to issue cheques.

Q. They write the cheques? A. Yes.

Q. Do you sign the cheques? A. Yes.

Q. Who else signs them? A. I am the only one to sign for the branch, for what I mentioned there. I have the most considerable number of cheques that are issued in the Dominion of Canada I think.

Q. But are not all cheques countersigned? A. Yes, after they are signed by me they are sent to whatever is authorized to sign for the deputy minister. There are three at present, Mr. A. St. Laurent assistant deputy minister, signs for the deputy minister, Mr. Desrocher the secretary, and Mr. Colman, the assistant secretary.

Q. It is some one outside of your office? A. Yes.

Q. The cheque is now ready to be sent to the person to whom it belongs? A. Yes.

Q. Now after the cheque is issued who charges it up to the account, do you? A. Well, after the cheque is issued, before they reach me, they are entered on the cheque list, the moment the cheque is issued it is numbered, say 3,000, and all the details, there should be several details for a cheque, covering an account for a purchase, it might cover two or three dredges, or the *Queen*, of No. 6 Drdedg or something like that.

Q. Who makes up the details? A. Whoever enters the cheque on the cheque list.

Q. In your office? A. Yes, in my office.

Q. But what I want to get at is where does it get into the books charged to the proper account? A. When I have revised the cheques with the cheque list, and see that everything is O.K., and it is signed by me, the cheque list is sent downstairs to be entered in the appropriation for dredges.

Q. Who keeps the ledger? A. Mr. J. B. T. Bedard, and Mr. J. J. Johnston. That is what I am referring to because there are other appropriations.

Q. Now you are familiar of course with the annual statements which are made up and issued in the report of your department? A. Yes, sir.

Q. And of course, I suppose you have to assist in making them up? A. To a certain extent, yes.

Q. Maybe you can explain them to me—would you just come around and look at this statement. I want to draw your attention to the statement for 1910-1911. We will take under the heading of dredges—in the first place you will notice under the heading of dredging at page 32 as an illustration, the heads of harbours and rivers, British Columbia, and in the column for dredging certain amounts charged against the names of certain places? A. Yes, sir.

Q. Now, in British Columbia all the dredging is done by departmental dredges?  
A. That I cannot answer, because as I have just told you it is paid by a letter of credit, a special letter of credit.

Q. Well, we will take Ontario then. In Ontario there is both departmental and contract dredging? A. Yes.

Q. In this column I have referred to for dredging for that year, amounting at the end of the year to \$1,782,588, there would be say at Victoria harbour \$256,000 would be the contract dredging? A. Yes.

Q. And there would be other places in which it would be departmental dredging?  
A. Yes, and places where we have both kinds of dredging.

Q. What I mean to say is, that it represents all the dredging of all kinds? A. Yes.

Q. No matter how it is done? A. Yes, sir.

Q. Now then, turning to page 32 again, I find in the sub-head of dredges and dredging plant, items by provinces? A. Yes.

Q. And they appear in two columns, the first column being construction and improvements? A. Yes.

Q. And the second being dredge, vessel, repairs? A. Yes, dredge, vessel, repairs.

Q. That construction and improvement would be entirely upon departmental dredges would it not? A. Yes, sir.

Q. Then on page 36, which is a recapitulation, we have an account of the totals of expenditure? A. Yes.

Q. Now they give the total for that year of dredging at \$3,734,383, but that amount would not include the construction or improvements or repairs? A. No, it is just simply the dredging done.

Q. So that in order to get at what the dredging done for that year would really cost in this case we would have to add to those three millions the sum of \$549,461?  
A. Not exactly, well of course that all depends, it is always there. We have our dredge vessel building and there might be a deduction made every year.

Q. In any case the expenditure of the year in connection with dredging would have been not only the three millions odd, but the \$549,461.49 spent in construction and improvements? A. Oh yes, exactly.

Q. And \$187,358.40 on repairs? A. Yes, sir.

Q. These three items would contain the whole expenditure for the year in connection with dredges and dredging? A. Yes, sir.

Q. Whether contract or departmental or temporary expenditure or permanent construction, it would all be in that? A. Yes, sir.

Q. Are you familiar with the book which is kept down in the dredging office by Mr. Cameron? A. Not in any way, sir.

Q. Here on page 324 of the report for that year I find the report of the dredge *Prince Willie*, she was employed in the province of Quebec was she not? A. Yes.

Q. And \$6,462.30 was spent? A. Yes.

Q. The details are given showing that it was entirely in the months of October and November that this dredging was done? A. Yes.

Q. And the details of that statement are prepared, we are told, by Mr. Cameron in the department below? A. Yes.

Q. What I have not been able to find out is whether any portion of the construction and improvement and repairs which are included in these two large items that I have mentioned would find its way into that detail of expenditure account? A. Well it shouldn't, because you have an item there for repairs.

Q. He has explained those repairs as being temporary and small repairs which are made and for which he receives bills from time to time, but it clearly would not include any construction and improvement repairs. The reason I am asking you about it is that they do not seem to know very much about it any way? A. Well it is not in our department at all. All I have to do is to pay the accounts when they

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are certified and sent up to me. Of course large repairs I understand that, I understand that to a great extent, labour and expenditure, removing certain parts of the dredge would go to new dredge plant, but small items would go to dredge, vessel, repairs.

Q The small items would go to dredge, vessel, repairs? A. Yes.

Q. But if a vessel were fully re-built it would go to construction and improvements. What I want to find out if whether down in the office where Mr. Cameron is they would get a statement of that and include it in the details of expenditure for that particular dredge in the course of the year? A. Of course I don't know how they are making up that statement in Mr. Godwin's office, but I know we keep a separate account in the branch, and all that new dredging plant and all the dredge, vessel, repairs.

Q. I presume they don't put it in for this reason, it is too small and furthermore it is charged against the particular place where she has been working, in order to carry out a percentage of cost? A. Yes.

Q. And if it was a permanent improvement they couldn't do that? A. Yes, exactly, that is the reason why.

Q. Consequently what they put in under the head of repairs are purely casual repairs? A. Yes, repairs that are needed as they come along.

Q. Now we will take that very case of Quebec province, \$6,462.30, and all he has in there is \$584.19. How can you explain that, April 10, 1911, to March 31, \$6,462.30? A. He must have included the expenditure of new plant in that besides the dredging account. That would account for it.

Q. Well, take the dredge *Sir Richard*, there are six places that one dredge *Sir Richard* was at, Kingston harbour only give \$105. It seems to me the details are utterly misleading, because although they give the cost of dredging they only give the temporary repairs and in some cases there are a lot of repairs, this dredge *Quebec* got \$3,000 worth of repairs and probably that is included in the head of repairs? A. Oh yes, certainly.

Q. I was anxious to find whether this construction and improvements got through this office below so as to be included in their detailed expenditure on the various dredges during the year, and it is apparent now that they did not get in there at all, that is the construction and improvement charges do not appear there. It is small and casual and temporary repairs that appear? A. Yes.

Q. Who is the bookkeeper or what bookkeeper would we be able to get down from the ledger keeper's office to explain to us how they keep this? A. I don't believe he could give you an explanation of this statement. He has no knowledge of this statement at all.

Q. But he could give an explanation of how they made up the general statement. I suppose it would be the bookkeeper would it not? A. Yes, the ledger keeper, Mr. Bedard, who keeps the ledger for the dredging and dredges and so on, and Mr. Johnston for the harbour works.

*By Mr. Lake:*

Q. Who drew up the different tables? A. The maritime provinces, part of them, are made by the officers down there, and another part in Mr. Godwin's office.

*By the Chairman:*

Q. I expect what you meant was this, the general tables published in the annual report—

Mr. LAKE.—I want to find out where the different tables are made, so if we wanted an explanation of them we would know where to go for them.

The WITNESS.—This general table?

Q. Who would prepare that general table under the various columns and prepare them for the accountant? A. Mr. Gagnon has something to do with them.

Q. I fancy though we could get from the gentlemen you have mentioned as having charge of the dredging ledger an explanation of how these columns are made up? A. Yes, sir.

*By Mr. Ducharme:*

Q. How many clerks are there with you in the office? A. Which office?

Q. Where you work? A. My own office?

Q. Yes? A. There are 5.

Q. What are their names? A. Mr. Thivierge.

Q. And next? A. Mr. Hay.

Q. And then? A. I had two young ladies but they went away a couple of weeks ago, but they have been replaced by a Miss Rattey.

Q. And any one else? A. Yes, Mr. T. Dube.

Q. Since how long have you been signing the cheques there? A. I have been signing the cheques since, well I forget just now, I can let you know to-morrow.

Q. Who signed the cheques before you? A. Mr. Kingston, Mr. Pare, (Mr. Pare signed the year ahead of me.

Q. He left that office? A. No, but I have had nothing to do with him, he signs the cheques for the buildings. He has charge of the buildings. Arthur Pare.

Q. I see you have a great many in your office at \$1,500 or \$1,600, those would be the clerks? A. Yes.

Witness retired.

OTTAWA, WEDNESDAY, March 20, 1912.

PRESENT:

Honourable A. B. MORINE,

*Chairman.*

G. N. DUCHARME, Esq.,

R. S. LAKE, Esq.,

*Commissioners.*

A. R. DUFRESNE, (re-called):

*By the Chairman:*

Q. I asked you to produce any evidence bearing upon the conduct and work of Mr. Graham, the local superintendent in Nova Scotia. Have you got anything? A. I produce some correspondence regarding the claim for tug hire of the *Mersey*.

Q. Generally speaking, has Mr. Graham discharged his duties to your satisfaction in that office? A. No, sir.

Q. Do you regard him as efficient, qualified? A. He is not regarded as an efficient or qualified superintendent.

Q. Do you know what his trade or profession is? A. I do not know what his trade is. I have been told that he was a salesman for some steel company, I think.

Q. So far as you know, he has not had any practical connection with dredging except in this position? A. I do not know that he has ever had any practical experience, or any experience of any nature in connection with dredging.

Q. In any case he is not a machinist or mechanical engineer? A. Not that I know of.

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Q. Have you reason to believe he is not? A. I have reason to believe he is not qualified.

Q. Outside of your correspondence with him, you have seen him here at Ottawa on official business? A. I have seen him only once in Ottawa, that was on October 3 last.

Q. When he was summoned here to give an account— A. He was summoned here at the time to give an account of the circumstances connected with the hire of the tug *Mersey*.

Q. Giving reference to the correspondence, briefly state what that matter was? A. The reference to this matter is contained in Departmental File 1593, Ref. 3, and is connected with the claim by a man, S. W. Hatt, Liverpool, N.S. for hire of the tug *Mersey*.

Q. Let me see the correspondence. Mr. Hatt claimed that Graham had hired from him the tug boat *Mersey* for use in connection with one of the dredges? A. Exactly.

Q. And said on December 19, that there was this \$3,040 for hire from July to October, 1910, and he accompanied his letter at that time by a statement of the circumstances. A. Exactly.

Q. On December 30, 1910, you asked Graham to give explanations? A. Exactly.

Q. On February 3 you had to ask Graham to reply to your previous letter? A. Yes.

Q. Then on February 18 you wrote again requesting a reply? A. Yes, that is one of the things, I never get a reply from him.

Q. Receiving no reply, he was ordered to come to Ottawa? A. Yes.

Q. On 27th February the deputy minister wired again complaining that he had received no reply to his telegram of the 20th, and Graham had not yet arrived in Ottawa? A. Exactly.

Q. On March 2, Graham replied that illness had prevented him travelling? A. He says he will be there next day, or something like that.

Q. He expected to leave the next night for Ottawa? A. Yes.

Q. On 8th March, Mr. Hunter wired to know why he had not arrived in Ottawa? A. Yes.

Q. On 11th March, Graham replied that he was still confined to the house through illness? A. Yes.

Q. On 23rd March the deputy minister wired to know if he was still too ill to come? A. Yes.

Q. And the deputy minister also wrote him on that same date asking for a written statement in reply to the claim made by Mr. Hatt? A. Yes.

Q. On 30th March, Graham said he had wired, he had forwarded a file report and that he would come to Ottawa? A. What date, please?

Q. 30th March? A. I think that never came here, he has done that occasionally.

Q. On 10th April, the deputy minister wired to Graham that no reports had been received? A. Yes.

Q. And that no further evasions would be permitted? A. Yes.

Q. On 10th April, Graham replied by wire that he mailed a file report on March 30, and was mailing a registered copy. A report dated March 30, was received by registered letter, posted at North Sydney on April 18, 1911? A. That envelope was put there by Mr. Hunter. I think he wanted to see that Graham had done that. I think it is not customary to put envelopes like that in, but that was put there for a certain purpose.

Q. In that report Mr. Graham, after setting forth his relation of the circumstances wound up by saying that Hatt was not entitled to payment. A. Yes, and we wrote in consequence of that.

Q. In consequence a letter was sent by the deputy minister to Hatt asking for his comments on the report made by Graham? A. Yes, and we moved him away.

Q. In consequence of reports as to Mr. Graham's habits, it was thought proper to remove him from Pictou to North Sydney. A. Yes.

Q. Subsequently he was told that he might go to New Glasgow instead of Sydney if he would prefer it. Which did he do? A. He went to New Glasgow.

Q. On 26th April, Hatt replied asserting that Graham had verbally contracted with him for his tug despite any assertions to the contrary that Graham might make? A. Yes.

Q. And on 19th May, the deputy minister reported to the minister that he did not see how anything could be paid to Mr. Hatt? A. Yes.

Q. On June 28th, W. P. Perney, barrister, acting for Hatt wrote to the minister claiming payment, and the minister replied that if Hatt desired he might take proceedings in the Exchequer Court? A. Yes.

Q. Then on 27th September, Graham was ordered to come to Ottawa with all the papers re the Hatt claim. He replied on the 28th September that he would leave in the morning. A. He did come up here.

Q. And he did come to Ottawa? A. Yes.

Q. Hatt also came to Ottawa? A. Hatt came also.

Q. And they both met in your office? A. They both met in my office. I took up Hatt's original claim, his relation of the whole circumstances in which he goes into the matter again, and the first letter of all relating all the circumstances.

Q. You took up the correspondence? A. And I read Hatt's two letters, I discussed the matter with Hatt first. Hatt told me briefly that the circumstances were as related in his letter. Then I saw Graham alone, and I asked Graham about Hatt's statements. I am not sure whether I saw Graham alone, but Hatt and Graham were together.

Q. You saw Graham and talked it over, and then Hatt and Graham together? A. Exactly.

Q. You made a report as a result to the deputy minister in which you set out what had taken place? A. Exactly.

Q. And in that report you say that Graham was not prepared to contradict any of the statements made by Hatt in his correspondence? A. Yes.

Q. And furthermore, that Graham was of opinion that Hatt's letters contained a true statement of the actual circumstances connected with a verbal agreement to hire the tug *Mersey* at the rate of \$400 a day? A. Exactly.

Q. And that Hatt was continually kept under the impression that eventually he would be instructed as to the particular work the tug would be put to? A. Yes.

Q. Your letter concludes with the statement that Mr. Graham is now of the opinion that his actions in connection with this matter imply an obligation on the department to fulfil the conditions of a verbal agreement to hire the tug *Mersey* for the sum of \$400 a day? A. Yes.

Q. That is certified correct "G. M. Graham". A. Yes.

Q. Was that read over by him? A. That was given to Graham before it was signed by myself.

Q. Yes? A. And he was asked if that was a correct statement, and he was also told at the same time not to sign that unless he was prepared to sign it.

Q. Yes? A. I may say the idea in obtaining a statement like that, a signed statement like that, from Graham, was on account of his first report to the effect that the man was not entitled to that payment.

Q. In other words, in consequence of his change of base in the matter? A. Exactly. I could have asked Graham to make a report, but in view of his first report I thought this report of mine was a relation of the true narrative of what had taken place, and I wanted him to sign it.

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Q. Following upon that report, the sum of \$3,040 was paid by cheque to Mr. Hatt? A. Yes.

Q. The payment of the claim authorized being approved by Mr. Pugsley, the Minister? A. Yes, I may say that personally I went into the claim myself as to its fairness.

Q. All the facts are set out in the correspondence, the facts set out by Mr. Hatt and adopted by Mr. Graham afterwards in spite of his previous denial? A. I may say that Mr. Hatt produced original correspondence between himself and Mr. Graham which he refers to in his statement.

Q. Proving the correctness of his assertions in that particular? A. Exactly.

Q. Hatt's statement of claim then amounted to this, Graham had come to Liverpool on July 21, 1910. He had inquired whether he could get a shoal draft powerful tug boat? A. Yes.

Q. Graham asked Hatt if he would let his boat go to the Little Bras d'Or? A. Yes.

Q. Later a bargain was made between Graham and Hatt for the tug boat at \$40 per day? A. Yes.

Q. The boat to be got ready to leave? A. Yes.

Q. And Graham to be wired when she was sailing? A. Yes.

Q. Hatt procured another boat instead of the *Mersey* to do his own work? A. Yes.

Q. And on July 25 wired Graham that the *Mersey* "sails for Little Bras d'Or to-morrow, tug *L* taking her place"? A. Yes.

Q. The same day Graham answered, "Await my letter before doing anything"? A. Yes.

Q. On July 26 Graham wired again, "do not allow *Mersey* to proceed until receipt of my letter"? A. Yes.

Q. Then followed certain correspondence between Graham and Hatt? A. Yes.

Q. On August 5, Hatt went to Sydney to find Graham who told him that he would be paid for his boat? A. Yes.

Q. Further correspondence ensued, to which Graham did not reply, and on October 3, Graham wired to Hatt, "Will wire you instructions to-morrow re the *Mersey*"? A. Yes.

Q. No further instructions were received from Graham, nor did he answer either of the telegrams from Hatt. That is the effect of Hatt's letter? A. Yes.

Q. And that you say was admitted by Graham to be true? A. Absolutely.

Q. Now it follows of course that the *Mersey* was not used for the government service? A. It was not used.

Q. And \$3,040 was entirely wasted? A. Yes. I was particular in ascertaining if the tug *Mersey* had been used by Hatt or any person else in the maritime provinces, and I found out that the boat was never used.

Q. She was lying on the wharf waiting instructions during all that time? A. Exactly.

Q. How did it come that Mr. Graham had the authority to employ tug boats? A. 1910, that was before I became—

Q. I am only asking what you know? A. Graham has authority to employ tug boats providing they are required, and providing the price is right.

Q. Is he a judge of requirements? Is he authorized to be the judge of requirements? A. His position implies that he should be the judge of requirements, but I do not believe he is.

Q. Well he might be a judge of requirements of a temporary nature, but surely it would not be according to the practice of your department to allow even the local superintendent to hire a tug boat for a long period of time without previous instructions from the department? A. Not without previous instructions.

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Q. For instance, if a superintendent thought that a tug boat was needed he would have to advise either the general superintendent or yourself and get some authority, wouldn't he? A. Oh yes, absolutely. When you were referring to the superintendent being a judge of requirements, the superintendent is a judge or should be a judge as to whether a boat is required or not, and then again he should be a judge as to whether a boat is suitable or not.

Q. But he should not hire on his own judgment? A. He should not hire on his own judgment.

Q. Do you know in this case if he had ever been authorized by any higher authority to hire a boat at all? A. I could not say.

Q. Or whether this was solely off his own bat, so to speak? A. I could not say.

Q. I will ask you now to have the correspondence on the other side of this looked up to see whether Mr. Graham had ever been told by anybody to hire a boat. Now having wasted \$3,000 in that way by making a contract that was without authority, and by failing to answer correspondence and to do anything with the matter, did you report that Mr. Graham should be discharged? A. I have reported on numerous occasions always verbally that Mr. Graham was not an efficient officer.

Q. I just want to know as a matter of fact whether, when this culminated in his statement before you, which he certified, and upon which \$3,000 were lost, you did there and then recommend that he should be dismissed? A. Yes, and I may say further than that that one of the principal reasons of the wording of that letter and having it signed by them in that way was to bring to the attention of the department in a way that they could not neglect to consider Graham's efficiency.

Q. To whom did you report? A. The deputy minister.

Q. So far as you know all the surrounding circumstances of this, was it inexcusable neglect and blundering upon the part of Graham? A. Yes.

Q. I mean to say, can you offer any excuse for his blundering, or any explanation of it? A. I do not see the reason for it.

Q. You have not any reason to suppose that he was driven into this conduct by anybody, or that anybody else is to blame for it? A. No, absolutely. Certainly Mr. Graham never insinuated or led me to believe that he did anything else but use his own discretion in that matter.

Q. Now I notice that all through this correspondence this Mr. Hatt resided at Liverpool which is in the constituency of Queens-Shelburne which was represented by Mr. Fielding, the late Minister of Finance, and there are several letters on file from Mr. Fielding to the minister drawing his attention from time to time to Mr. Hatt's claim. Mr. Fielding on September 26 said that Hatt had represented his claim to him, that he had asked Graham to meet him at Halifax, but that he had not turned up, and that from the statements made to Mr. Fielding by Mr. Hatt he was under the impression that Graham had made an error. Mr. Fielding wound up his letter by suggesting that Graham should be peremptorily summoned to Ottawa immediately for the purpose of discussing the matter with the Minister of Public Works, and that Mr. Hatt should be informed that he might also come here and have the matter threshed out.

Mr. LAKE.—What is the date?

The CHAIRMAN.—September 26, 1911.

*By the Chairman:*

Q. That was just five days after the general election. Do you know whether Mr. Hatt and Mr. Graham, or either of them, saw Mr. Fielding here when they came that last time? A. They never mentioned it to me, and I have no knowledge that they did.

Q. And Mr. Fielding never spoke to you about it? A. He never spoke to me about it.

Q. While you have given these isolated instances of Mr. Graham's conduct, your remarks as to his habits, the information you had received, and to his generally un-



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satisfactory discharge of his duties were of general application, were they not? A. Yes, sir.

Q. His whole course of conduct, so far as you have been called to notice it, has been unsatisfactory to you? A. His conduct has been unsatisfactory, yes, sir. There has been a great deal of difficulty occasionally in getting him to answer correspondence promptly.

Q. Have you any more evidence bearing on him? A. Here is a case in point where he has been written to and wired to a number of times and we could not get replies from him.

Q. On January 4, 1912, you asked him to send a report giving full explanations why certain instructions given by you were not followed, and how it came about that he had expended more up to this date than the amount he had asked for a full twelve months. That was in connection with dredge, vessel, repairs for the fiscal year 1911-12. A. Yes, sir.

Q. He had been told of an allowance of \$20,360 for that purpose, but you were advised that \$28,733 had so far been paid for repairs done under Graham's charge? A. Yes. I just want to say that we could not get a reply from him. That over expenditure is another part of it.

Q. There was an over expenditure? A. Yes.

Q. Did he give a satisfactory reply for that over expenditure, satisfactory to you, I mean? A. Yes, eventually I got it from Scovil.

Q. But not from Mr. Graham himself? A. I am not sure of that.

Q. Well, did you find great difficulty in getting replies from him? A. Yes.

Q. On January 17, you complained that lettergrams sent by you on the 4th and 5th inst. were still unanswered? A. Yes.

Q. On January 23 you have to ask again for answers to your lettergrams of the 4th and 5th, the same ones again? A. Yes.

Q. And on the 27th you have to wire for an answer? A. Yes.

Q. And on the 29th he replies that he has been laid up for some time? A. Yes.

Q. You never got any explanation as to what laid him up? A. No.

Q. You give this as an instance as typical of his conduct? A. Yes, the gist of it is that periodically there was the greatest difficulty in obtaining any answers to correspondence.

Q. And failure to reply to correspondence is very disconcerting? A. Very, indeed.

Q. It hangs up very important work frequently? A. Yes.

Q. It is very important for you to have your superintendent's answer promptly? A. Yes, sir.

Q. In fact, can effective work be carried on in that department where the dredges are such a distance away unless your superintendents are absolutely prompt in answering? A. By no means.

Q. Have you anything more bearing on Mr. Graham? A. I do not think so.

*By Mr. Lake:*

Q. Is Mr. Graham responsible to Mr. Scovil? A. Mr. Graham is not answerable to Mr. Scovil, he acts independently of him and under instructions from Ottawa.

*By the Chairman:*

Q. In the first place Mr. Scovil is the superintendent at St. John? A. Yes

Q. And he has authority over New Brunswick and Prince Edward Island? A. Yes, sir.

Q. He has a staff at St. John in the office? A. Yes, sir.

Q. And at that office all accounts for all the maritime provinces are paid? A. Yes, sir.

Q. Those from Nova Scotia would have to be certified to by Mr. Graham before payment? A. Yes, sir.

Q. But in regard to Prince Edward Island and New Brunswick Mr. Scovil would himself be the certifying officer? A. Yes, sir.

Q. Well then, he has authority as local superintendent, under instructions from Ottawa, to hire officers and men? A. Yes, sir.

Q. To purchase supplies? A. Yes, sir.

Q. To make contracts for tugs? A. Yes, sir.

*By Mr. Lake:*

Q. And order repairs? A. Yes, sir.

*By the Chairman:*

Q. And generally to control the movement of the dredges? A. Always under instructions from headquarters.

Q. The position is therefore a very responsible one? A. Very responsible indeed.

Q. He receives a letter of credit from the accountant's office here in order to pay bills down there? A. Yes, sir.

Q. And he accounts to the accountant's office here, I understand, once in twelve months for his credit? A. Yes, sir.

Q. His certified bills when paid are sent along to the dredging branch here I presume? A. Yes, sir.

Q. How often is that done? A. That is done every two or three months.

Q. And the result of that system is that the branch here is not closer in touch with what goes on down there? A. No, sir.

Q. It has to rely on the discretion and good judgment and ability of its local superintendent? A. Yes, sir.

Q. To a very large extent? A. Yes, sir.

Q. Has Mr. Scovil, the present incumbent, proven himself to be an efficient officer, in your judgment, in the discharge of those duties? A. No, sir.

Q. What would you say are these disqualifications he has shown? A. The principal disqualification in my mind is that he is a man who has had no experience in dredging matters, with dredges, or any mechanical ability whatever, and in my mind such experience and ability are absolutely necessary. This lack of experience and ability on his part is shown in very much of the correspondence. The attempts on the part of headquarters to introduce changes did not seem to have been met by Mr. Scovil. Very often it is noticeable in the correspondence, he refers to having consulted with his captains regarding these measures, whereas in my mind he is the man who should have had definite conclusions himself. I may say that in the early spring of 1911, a serious attempt on my part was made to introduce a number of changes. Some of these regarding over manning of crews and a new system of sustenance on the maritime province dredges, introducing the same system as has obtained in Ontario and Quebec were mentioned in various letters and instructions were given regarding repairs, but very little satisfaction was obtained from Mr. Scovil in answer to my letters, which proved conclusively to me that he was not able to handle those matters.

Q. Would you say that he has executive capacity? A. I do not consider that Mr. Scovil has executive capacity sufficient to handle the position he has at present.

Q. Does he show firmness? A. Absolutely no, that is one of the principal sources of complaint.

Q. May I gather from your remarks that he does not show a willingness and readiness to carry out your instructions?—A. I would not say it is any unwillingness on his part, I attribute it more to lack of firmness in his character.

Q. To timidity?—A. To timidity, exactly.

Q. Some time ago you mentioned that you gave instructions concerning the giving out of contracts for repairs for the dredges?—A. Yes.

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Q. Those would be winter repairs, I presume for the fleet? A. Winter repairs. One of the greatest defects that we have found in the past in connection with repairs to the dredging plant has been the giving of repairs without properly drawn up specifications, and obtaining fixed sums.

Q. Either by tender or by competitive prices? A. Yes, and the result of the former system was that when bills came in for work, in very many cases they were excessive.

Q. That lack of system would imply that once the job was given to a repairer he could almost charge any price he liked? A. Exactly.

Q. There would be very little means of checking him? A. And eventually if bills were not certified to by the proper parties it led to endless letter writing on the subject. This old system in my mind accounts for the over expenditure on dredge vessel, repairs that is mentioned in much of the correspondence.

Q. With regard to the major repairs, especially those which have to be made at the end of a season's work, and are considerable in their character, it would be possible to have a specification made of these, would it not? A. We have had no trouble, absolutely in every case in Ontario and Quebec this last winter in having a proper survey made of the repairs necessary and specifications drawn up, and we have eventually obtained a bulk sum offer for those repairs. To my mind the system is far preferable to letting a certain person come in and do these repairs without any fixed sum.

Q. I ask the question because objection has been made to me that in connection with repairs it is impossible to define them beforehand, and that the best you can do is to put a ship into the hands of the repairer and say, "Now repair"? A. I mentioned a little while ago the difficulty of estimating all the repairs, but in my mind, notwithstanding that difficulty, it is far better to have an estimate made at least of all you think is required.

Q. And if in the course of repairing these it becomes necessary to do something extra, a proper authority should authorize these? A. Exactly.

Q. And a proper price should be put upon that? A. Exactly, it very often happens that extras are required, no matter how careful you are.

Q. Just as in house building? A. Exactly.

Q. At the end of the season it is always apparent that a dredge vessel requires painting, that she will require, if she is a wooden vessel, some of her planking replaced, if an iron vessel some of her plates. There are certain things that have to be done by machinery, all of which could be specified? A. Yes, every dredge and tug requires a certain amount of repairs at the end of a season. It is variously estimated at between five and seven per cent.

Q. Did you instruct Mr. Scovil to have this done with reference to vessels under his jurisdiction? A. Mr. Scovil was instructed in connection with all repairs that were required on dredging plant under his jurisdiction to have a proper survey and examination made and specification of the necessary repairs, and to obtain offers from all parties who were in a position to make these repairs, and to give the repairs to the lowest tenderer.

Q. Did he do so? A. I was informed by Mr. McMurray on a recent visit here that it had not been done.

Q. Who is Mr. McMurray? A. An inspector of dredges under Mr. Scovil's jurisdiction. On March 4, I wrote Mr. Scovil asking him if he had followed my instructions calling for offers for repairs in all cases and had awarded them to the lowest tenderer, and if in the event of the instructions not having been carried out I asked him to inform me what he had done. His reply showed me that these instructions have not been followed (reply produced).

Q. His reply was dated March 11, 1912, and I notice that Mr. Scovil says: "Tenders have not been asked for any of the repair work except for the moving of

the steering gear on the tug *Canso* which work was given to the lowest tenderer," and then he goes on to say that the repairs on the three tugs were given to three separate parties by instructions from the Hon. Mr. Hazen. He adds, "We tried to get offers for the repairs, but as there was to be no objection, and the different parties were aware of it, we could not obtain prices. They claimed that they had the work to do and were going to do it. Mr. Scovil means, I presume that when he tried to get offers, these parties had already been informed by somebody that they were to get the work? A. Presumably.

Q. That is what you understand by it? A. Exactly.

Q. Then he goes on to say this: "The man having the repair work on the *Fielding* don't want our engineers or men to do anything. They claim the right to do everything that has to be done in the ship, all the repairs. If they had their way, it would have been a very expensive job. It will be bad enough as it is." You of course do not know anything about this reference to the Hon. Mr. Hazen? A. Nothing whatever.

The CHAIRMAN: I have asked the Hon. Mr. Hazen about the matter to which reference is made coupled with his name, and he informs me that Mr. Scovil asked him on one occasion to whom he should send to have repairs done, not mentioning to him that he had received instructions in reference to the matter from Mr. Dufresne or any other person, and that he (Mr. Hazen), supposing that he was being asked in the ordinary course, mentioned the names of certain parties to whom repairs could be given out. He added that nothing could be further from his desire than to interfere in any way with any instructions and he would not have replied to Mr. Scovil as he did if he had known anything about instructions, or if Mr. Scovil had not approached him with a direct question.

*By the Chairman:*

Q. Now do you know with reference to this last statement made by Mr. Scovil as to the claim of those persons repairing the *Fielding* that the engineers and men of the dredge should not be employed—do you know what has been the outcome of that, whether the engineers and men employed or not? A. No, sir.

Q. Have you written to inquire about that, or has the matter escaped your observation? A. The matter has not escaped me, but candidly, for some time I have felt that very little useful work can be done down there under present conditions.

Q. You say that you have not asked Mr. Scovil about this matter yet because of a certain amount of discouragement in your mind? A. Exactly.

Q. From difficulties in getting your instructions obeyed? A. I have found that very few instructions sent down there are carried out to the letter.

The CHAIRMAN—Right here I would ask you to immediately write to Mr. Scovil concerning this letter, and ask him in the first place whether he informed the Hon. Mr. Hazen of the instructions which he had received, whether at the time he spoke to Mr. Hazen he informed Mr. Hazen of the instructions he had received from you, whether he had received instructions from you to obtain tenders or offers, and secondly with reference to the work of the engineers and men of the *Fielding*, whether they conducted the work.

WITNESS.—I have a considerable amount of correspondence here which illustrates the difficulties I have met with from Mr. Scovil. In Ontario and Quebec the crews of dredges are boarded by the cooks or captains who receive a regular per diem allowance of 50 cents per man. The system operates with absolute satisfaction and relieves the department of considerable trouble. As long ago as the 24th November, 1910, I, wrote to Messrs. Scovil and Graham telling them to arrange to establish this system in the maritime provinces. It has never been arranged, it has never been put into force. On January 18 last I wrote to Messrs. Scovil and Graham again about this matter. Mr. Graham has replied that he thinks it could be put into force satisfactorily.

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Mr. Scovil answers that he has taken the matter up with the captains and cooks here and cannot get any of them to undertake to supply. If it could be arranged it would do away with considerable work in the office here. He says that the captain of the stone elevator No. 1 supplies his crew and is paid at the rate of 50 cents per man per day, and he closes his letter by saying, "I am of the opinion it will be hard to get the change made on some of our boats. If you decide to make the change and allow the 50 cents per man I will do the best I can."

*By the Chairman:*

Q. In your letter dated 18th of January you had given him a direct order to establish this system? A. Yes, sir.

Q. And you did not leave it to his discretion at all? A. No sir.

Q. And you say that in view of his methods of correspondence you took his letter to mean the usual thing, that he is not endeavouring to carry out your orders? A. Yes, sir.

Q. That is the spirit in which you find his correspondence couched? A. Yes, sir.

Q. On 15th of February you wrote to Mr. Scovil saying that in looking over a list of crews empolyed during the last season in every case the plant was over manned, and you therefore instructed him to fix the strength of the crews for the coming season so that absolutely no more men than were actually required should be employed. Under date 23rd February, 1912, he replied that he had consulted the captains of our boats with reference to the number of men employed, and with no exceptions they claimed it was impossible to take kreater care of their boats and do their work with less men. He appears by that letter not to state his own opinion about the matter, but merely the claim of the captains? A. Yes sir. After receipt of that letter of his, the matter was not referred again to Mr. Scovil. We took the thing into our hands in Ottawa, and we fixed what we considered the proper working strength of the crews.

Q. It was considerably less than last year? A. A great deal less notwithstanding Mr. Scovil's reply.

Q. Had peremptory orders gone to him to put those smaller crews in charge? A. Yes, sir.

Q. Are you satisfied from your knowledge and experience that the smaller crews are quite enough for the vessels? A. I am of opinion that the crews that have been fixed will do all that is required, but my idea was that if it is proved to us on good evidence that they are not sufficient we can add to their strength. There is absolutely no doubt in my mind that the crews in the maritime provinces are greatly overmanned, especially those under Mr. Scovil's direct observation in St. John.

Q. Have you ever received any suggestions or recommendations from Mr. Scovil on his own initiative to cut down the size of the crews? A. I have not any recollection of any suggestion coming from Mr. Scovil to cut down any crew, and I do not think he ever made any such suggestion.

Q. Have the crews at St. John been particularly large? A. Yes, in my opinion they have been particularly large.

Q. In his letter of 23rd February, 1912, where he refers to certain cuts that can be made, he is merely answering your previous direction in the matter? A. Exactly.

Q. He there admits that certain crews can be reduced? A. Yes, sir.

Q. He was responsible for that larger strength in the past, wasn't he? As the local superintendent he was responsible for the larger strength? A. I would say, yes.

Q. Can there be any question about his theoretical responsibility? A. I can say positively I have never had any letter that I can recollect from Mr. Scovil in which he mentions over manning.

Q. Or made any objection? A. Or made any objection.

Q. Or made any suggestions to reduce them? A. Or made any suggestions to reduce them.

*By Mr. Lake:*

Q. If he had been anxious about new methods to bring about economy he would not have forgotten? A. No, moreover I would expect to hear from him in these matters.

Q. You have come to the conclusion that there are certain defects in the system in the maritime provinces which tend to extravagance and inefficiency, and have decided upon instituting certain reforms, and you are of opinion from the correspondence of Mr. Scovil that he is not a man capable of carrying out these reforms or anxious to do so? A. Yes, sir.

Q. If reforms are to be carried out in the maritime provinces, and there is to be efficiency and economy, you are of opinion that it is absolutely necessary that Messrs. Graham and Scovil should be removed, and that the superintendent or superintendents there should be prepared to carry out your instructions without question? A. Yes, sir.

*By the Chairman:*

Q. Don't you think that one general local superintendent for the maritime provinces would be sufficient? A. If you get the proper man, a man with proper experience and qualifications, it is my opinion that it is preferable to have only one superintendent for the maritime provinces.

Q. It would avoid confusion? A. Exactly.

Q. And make a better use of the fleet as it is? A. Yes, sir, and have better control over expenditures.

Q. You could enforce more uniform regulations both with regard to expenditures and to the crews? A. Yes, sir, and we could hold one man responsible.

Q. It would reduce the amount of correspondence very largely from headquarters? A. Considerably.

Q. And that one man would have much greater control over the expenditure? A. Yes, sir.

Q. Then again, having all the boats in the maritime provinces under his control he might be able to make a more economical disposition, a more effective disposition of them from time to time? A. Yes, sir.

Q. In addition to superintendents, how many inspectors are there in the maritime provinces? A. We have two inspectors at present. Up to two months ago we had only one. Another one has been appointed lately for Prince Edward Island.

Q. He has only got two small dredges? A. There are three dredges at Prince Edward Island.

Q. They are all small? A. Not all small, one of them is a pretty fair size.

Q. What are the three? A. The *Montague*, the *Prince Edward* and the *Pownall*.

Q. How many dredges are there in Nova Scotia? A. The *Canada*, the *Cape Breton*, the *George McKenzie* and the *Northumberland*.

Q. These four are in Nova Scotia? A. Yes.

Q. Is there a tug attached to each of these four? A. Mr. McMurray told me that we had three tugs in Cape Breton and only one is required. Another thing about Scovil is I have always maintained that two tugs are sufficient for the dredge *Fielding* at St. John and we have three. McMurray confirms my opinion on the matter.

Q. And in addition to the three tugs didn't they employ another last year? A. They hired one.

Q. You say that two are enough? A. Yes.

Q. How many dredges are there in New Brunswick? A. There is the *St. Lawrence*, the *Restigouche* and the *Fielding*.

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Q. Would it not be more effective and useful if the inspectors were attached to the offices at St. John, New Brunswick, and were useable wherever they were sent to in the jurisdiction instead of having a man merely confined to Prince Edward Island? A. I think it would be preferable to having one man because it would give them more valuable knowledge in seeing other dredges.

Q. There might be occasions when the man in Prince Edward Island would have little or nothing to do and when he could be doing something in another part of the jurisdiction, and if he was a competent man he would always be useful. A. Yes, sir.

Q. So a centralized office would be an improvement? A. No doubt.

Q. I presume upon the whole, especially having regard to the important works going on at St. John harbour, that St. John would be the most convenient place? A. I think St. John would be a most convenient place. We have only one dredge there, it is true, but it is the largest dredge.

Q. It is not difficult to get from St. John to the dredging in Nova Scotia or Prince Edward Island? It is a fairly central place from which to move. From the same place you could control the Bay of Fundy and the west coast of Nova Scotia? A. Geographically it does not appear to be so central, but I have always had in my mind that St. John should be a central office.

Q. Are you personally familiar with the localities down there? A. Not very. I have been in St. John only once. One of my greatest difficulties since I have been in Ottawa is that I have not been able to get away.

Q. From St. John you can take the steamer across to Nova Scotia, and in that way you would have the Bay of Fundy pretty close on touch. You can get anywhere on the western end of Nova Scotia from St. John and you can reach Prince Edward Island very easily from Point du Chene. The most important dredging operations which are now taking place in the maritime provinces are in the harbour of St. John? A. Yes, sir.

Q. Is it the intention to keep the *Fielding* there this year? A. The *Fielding* will be there this year and in all likelihood for a number of years.

Q. Has the Courtenay bay dredging begun yet? A. No, sir.

Q. The existing contracts with the Maritime Dredging and Construction Company contains an obligation on their part to undertake Courtenay bay if required. Are you aware of that? A. I knew that was the original intention, but I believe I am right when I say that the contract which was let recently to Norton Griffiths includes the dredging.

By Mr. Lake:

Q. Has the dredging on the Beacon Bar been more difficult than the dredging which the *Fielding* has performed in the harbour of St. John? A. No, the *Fielding's* work is much more difficult.

By the Chairman:

Q. Why? A. She is working in very deep water and with hard pan and boulders very often.

Q. The *Fielding* is both a suction dredge and an elevator dredge? A. Yes, but she has never been used as a suction dredge. I may say that in England they call them suction dredges and in America hydraulic dredges.

Q. This part of the *Fielding* has never been used? A. No, sir.

Q. It is an elevator dredge? A. Yes, sir.

Q. The elevator system is by buckets on an endless chain? A. Yes, sir.

Q. Which goes to the bottom and comes up through the centre of the boat? A. Through a centre well.

Q. And where does the spoil drop? A. It is deposited in a chute.

Q. From which it runs into scows? A. From which it runs into scows.

Q. Would that class of dredging be possible wherever suction dredging was possible? A. Yes, sir.

Q. Provided the water was deep enough for the dredge to get over it? A. Yes, sir.

Q. In shallow water a suction dredge could be used even where the dredge could not get directly over the spoil to be dredged by putting her suction pipe out on the side? A. Yes, that is the case.

Q. On an elevator dredge you must always, before your dredging begins, have the water deep enough? A. Not necessarily, there are various types.

Q. Take the *Fielding*? A. The *Fielding* could not cut her own flotation. She must have sufficient draught of water to dredge in, but we have a type of elevator dredge in British Columbia which has the well in the centre extending right out to the bow, and the bucket ladder will move through the bow and cut its own flotation.

Q. So you can go right ahead and into a bank if necessary? A. Exactly.

*By Mr. Lake:*

Q. In the report of the Department of Public Works, page 288, there is a statement of the dredging done by the various government dredges in the maritime provinces. It is there stated that the *Fielding* dredged last year at a cost of \$18.19 per cubic yard? A. Yes.

Q. Can you tell me what that cost is calculated upon? A. That cost is calculated, I presume, on the wages and repairs. That dredge cost over \$600,000., and while I made the statement a little while ago that I thought that the dredging by the *Fielding* was more than the Beacon Bar dredging I think it can be established. If you take capital charges and interest and everything it will be considerable.

The CHAIRMAN.—With reference to your statement that the cost of dredging by the *Fielding* is greater than the price paid the contractors for dredging the Beacon Bar at St. John, please prepare a little memo. of your calculation.

*By the Chairman:*

Q. Some movement has been made in the department to employ Mr. J. H. Schwitzer as mechanical engineer in the dredging branch? A. Yes, sir.

Q. What has been done? A. I understand that the minister has decided to recommend or to make his appointment.

Q. Mr. Schwitzer is a mechanical engineer by profession? A. Yes, sir.

Q. And has considerable experience? A. Yes, sir.

Q. Is it intended that the actual scope of his duties shall be that of general superintendence of departmental dredges? A. Eventually, yes.

Q. Do you mean to say that he shall in reality, not theoretically, but at the outset be subordinate to the present superintendent? A. Not by any means subordinate.

Q. The general superintendent is at present ill and absent from duty? A. Yes, sir.

Q. Do you understand that he is not entitled under law to a superannuation allowance? A. He is not entitled.

Q. And in the past he has been considered to be a useful official? A. Yes, sir.

Q. He is about 73 years of age? A. Yes, sir.

Q. And of course great difficulty is felt in removing him without a superannuation allowance? A. Exactly.

Q. If it was not for that difficulty you would recommend that Mr. Schwitzer be made general superintendent? A. I believe that Mr. Schwitzer is a fully qualified man, and my idea is that he should become general superintendent, but he is not being appointed as general superintendent because of the difficulties referred to.

Witness retired.

The Commission then adjourned.



THURSDAY, March 21, 1912.

PRESENT.

Honourable A. B. MORINE, K.C.,  
*Chairman.*G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

A. R. DUFRESNE, (recalled):

*By the Chairman:*

Q. I asked you yesterday concerning the authority of the local superintendent to enter into contracts. I should like to get your view a little more fully on that. Do you know whether the department has in any formal way defined the duties of local superintendents? A. I presume that when Mr. Graham and Mr. Scovil were appointed a certain definition of their duties was established. You asked me to get you that information. I have not been able to obtain it yet as it was not until half past twelve that I received the request and I was called away, but I am getting it. Personally I know that on several occasions I have taken pains in letters referring to other subjects to define those duties. I have a distinct recollection, as it appeared to me, that Mr. Scovil in particular did not know his duties, and I took pains to point this out, and to tell him that he was absolutely responsible for the operation and maintenance of the dredges under his control. Occasionally the question has come up also in connection with our district engineers, who did not seem to know the proper definition of their duties or of the local superintendents duties. There has been more or less trouble on that score, so a line was drawn that a district engineer was concerned only with the work that was required and with the laying out of the work, and the superintendent of dredging was responsible for sending the dredge there and seeing that the work was properly performed.

Q. How long has Mr. Scovil held his office? A. Mr. Scovil was appointed on April 28, 1909.

Q. Do you know how old a man he is? A. No.

Q. You do not know what his previous occupation had been? A. No, sir.

Q. When was Mr. Graham appointed? A. I am not sure of the date of Mr. Graham's appointment.

Q. About when? A. It must have been shortly subsequent to Mr. Scovil's appointment.

Q. Prior to that do you know who had been superintendent? A. A Mr. McMurdock.

Q. For the whole of the maritime provinces? A. For the whole maritime provinces, for a number of years. He died.

Q. What is the name of the new inspector who was appointed for Prince Edward Island? A. John McDonald.

Q. Of where? A. Whim Road Cross.

Q. How long is it since he was appointed? A. He was appointed about two months ago.

Q. About two months ago? A. Yes.

Q. You do not know his age? A. No, sir.

Q. Or his previous qualifications? A. He was written to, and informed us that he had been in charge of one of our dredges prior to 1896.

Q. I was asking you about the authority given to local superintendents for this reason, I wanted to find out to what extent a local superintendent could legally bind the department. That in law would depend on two things, first whether he had particular instructions in the special matter; in the second place, to what extent, if there were no particular instructions, he was generally held out by the department to be its agent for such a purpose. Consequently, I wanted to know what was the general authority given to local superintendents. You see it is very important for you to ascertain that now. Take for instance the case given to us yesterday by you: Mr. Graham entered into a contract which cost the department over \$3,000. The question arises whether that was wholly an excess of authority, or whether he had general or special instructions that would cover such an action? A. I have not been able to ascertain definitely what the original instructions were as to their jurisdiction in these matters. As I said before, we are looking for that. But to a greater or less extent there has always been an attempt to keep in fairly close touch with work of that nature.

Q. In so serious a matter as the chartering of a steamer, involving a considerable amount of money, it would not be the practice of your department for a local superintendent to make such a charter without special authority? A. No, and it was never intended either. As much as possible they are written to, and they are asked to get offers. We suggest names to them of tugs or tug owners who have tugs for hire, and they are always told to get offers and submit them.

Q. But even when they act without authority, if persons enter into arrangements with them in good faith, it puts the department in a very awkward position, doesn't it? A. Yes.

Q. And an official doing that without authority should be dismissed? A. I would not go so far as to say that, because not knowing exactly, it might be quite possible that Mr. Graham has to some extent had the impression that he had that latitude.

Q. I said without authority, that an official doing it without authority should be dismissed. Can you imagine a case in which an officer ought to be retained who had made a contract under such circumstances as were reviewed here, pledging the department to a large expenditure of money without any express authority or pressing emergency? A. I recognize fully that it was absolutely wrong for him to have done so, but possibly the man may have misunderstood how far he could go in the matter.

Q. You are only suggesting that possibilities are always possibilities? A. Well, not exactly.

Q. Can you give us any reason to suppose that he may have misunderstood? A. He may have presumed.

Q. I know he may; you are merely stating a possibility. Have you any reason for suggesting that he may have misunderstood? A. Have I any reason?

Q. Have you any particular reason for suggesting that he may have misunderstood his power? A. No, except—

Q. Except that all things are possible? A. No, just at the present time I am not sure of Mr. Graham's or Mr. Scovil's duties having been very fairly defined. I have not had occasion to look up the original appointment defining his duties.

Q. Well, I won't press you any further at present, but will ask you to look it up? A. It must be remembered that this transpired long before I came here.

*By Mr. Lake:*

Q. The arrangement which Mr. Graham made in regard to this tug was quite exceptional wasn't it? A. Yes.

Q. Had he had to hire other tugs? A. In connection with the hiring of tugs, it may be stated that Mr. Howden spent most of his time last year down in the maritime provinces in close connection with Mr. Graham and Mr. Scovil. He was there nearly all the time last year and especially at this time of the year before

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operations were started. The department decided to send him there to keep in close touch. He did considerable hiring of tugs down there. I found that Mr. Howden was instrumental in hiring the tugs down at St John.

*By the Chairman:*

Q. That would be all the more reason why Mr. Graham should not act on his own authority? A. I can say absolutely that Mr. Graham should not have entered into any arrangement regarding the hiring of a tug of that nature without having referred it to headquarters. I look upon such an action as that Hatt affair as overstepping his jurisdiction.

Q. Now that you are more particularly charged with responsibility don't you think that the latitude of these men in entering into certain contracts should be very strictly defined? A. Yes, I do, there should be a certain proper definition.

Q. Very exact and careful in its terms? A. As possible, yes. I believe at the same time that, conceding you have reliable men in a position of that sort, you have to give them considerable latitude.

Q. For instance, in the hiring of a tug, I cannot conceive of an occasion where a tug would have to be hired before telegraphic authority could be received from the department? A. No, they should not be hired that way. Generally, we instruct them in connection with repairs and everything else to obtain offers in writing. I may say in connection with repairs I ask them to obtain offers in writing and give them the latitude to award those repairs to the lowest tenderer.

Q. Generally speaking, with regard to anything except the mere daily obligations that arise, there is no reason why they should not report and receive authority. A. Not in matters of any fair importance.

Q. In other words then, the superintendents of the maritime provinces division should be brought into much closer and more intimate touch with the branch here than they have been? A. Decidedly so.

Q. Now did you bring anything else in particular with you to-day? A. No sir, I have not got anything else here to-day.

Q. You assumed your duties in the latter part of 1910? A. Yes, sir, about October.

Q. And of course too late to effect the work being done that year? A. Yes, sir.

Q. But on December 13, 1910, I find you addressed a long letter to Mr. Howden, the general superintendent, concerning a visit which he proposed to make to St. John? A. Yes, it was decided to send Mr. Howden down at that time.

Q. To investigate the maintenance and operation of the departmental dredging plant in the maritime provinces? A. Yes, sir.

Q. And in that letter you set out several matters which in your opinion required investigation? A. Yes, sir.

Q. You said there was a lack of proper understanding as to what repairs should be done to various dredges, and the manner in which they should be done? A. Yes, sir. Prior to that letter of instructions, Mr. Scovil had been here, I had seen him for the first time. He came up here with that meeting of engineers, and the impression I gained at the time was that perhaps Mr. Scovil was not very competent to look after our dredging plant in a proper way. A discussion took place with the deputy minister, and it was decided to send the general superintendent of dredging to St. John to look into the maintenance of dredges there, and a letter of instructions was given to Mr. Howden bringing up various questions.

Q. For instance, you say that delay has often occurred because repair parts are not kept on board the dredges? A. That matter was brought to my attention on a number of occasions. I found that one of the greatest sources of trouble in connection with the operation of our dredging plant was breakdowns of minor kinds and consequent delays in getting new parts, and the instruction I gave was to have spare

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parts as much as possible on the dredges. One particular case in point was the dredge *Northumberland*, which was one of our expensive dredges. I was informed that a delay of six weeks took place a few years ago owing to the blowing out of the gaskets, which cost a couple of dollars each, and it was necessary to go and have new gaskets ordered.

Q. Has that been changed? Has that fault been changed, or does it still continue? A. About the lack of spare parts?

Q. Yes? A. I know I am absolutely certain that in Ontario and Quebec—

Q. I am talking about the maritime provinces. Has it been continued, or does something require to be done? A. My idea is that very little change has taken place.

Q. Another matter you mention is that these scows attending the dredges were too small in your opinion. Has any change been made in that particular? A. We are building scows to remedy that defect now.

Q. It was found to be a defect, was it? A. Yes sir, we sent a couple of 100 yard scows over to Prince Edward Island. The principal trouble over on the island was small scows, and larger scows were sent.

Q. Another thing you said was that in the moving of dredges from one point to the other, great delay sometimes occurred in procuring a tug to tow them, and you advised that a large tug should be available for this purpose. Has such a tug been secured? A. No, sir.

Q. Do you still have the idea that one would be advisable? A. I think so, in fact we are arranging to send a tug from Quebec this spring down there.

Q. To keep her down there? A. To keep her down there.

Q. When she is not moving dredges she will assist in moving scows I suppose? A. For general purposes, yes, and as a result of that I may say too that arrangements were made with the superintendent of telegraphs to use the steamer *Tyrian*.

Q. That arrangement has been made? A. Has been made.

Q. You instanced a case, you say that three tugs have been kept attending on the *Fielding* and that in your opinion two should be able to do the work, leaving one free for towing dredges? A. Yes, sir.

Q. You still remain of that opinion? A. Yes, sir.

Q. You also complain in that letter that sufficient discipline did not obtain on dredges in the maritime provinces, and that you had been told that in many cases work had been stopped to allow of crews going ashore for various purposes. Did you find upon investigation that that was true? A. It was brought to my attention on various occasions that work was stopped Saturday afternoons almost always, and also—

Q. Very often excuses were made? A. I have been told there were picnics and things of that sort.

Q. Do you know of any improvement that has taken place during the last year? A. I am not sure on that point, but I have an impression that no changes have been made in the last year.

Q. When Mr. Howden came back, did he make a verbal or written report to you on this business? A. Mr. Howden reported verbally to me.

Q. Have you had time to make that calculation about the *Fielding*? A. No, I am getting that for Mr. Lake.

Q. Now, I want to talk a little bit about inspection in connection with contract dredging? A. Yes, sir.

Q. The greatest loop-hole for frauds that exists to-day in connection with contract dredging has been in the matter of inspection? A. Yes, sir.

Q. If the inspection is either inefficient or dishonest? A. Yes, sir, it offers too much latitude to men who are not qualified.

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Q. In the first place an inspector's position being a temporary one, just for the dredging season, you have to take men who are out of permanent employment? A. Yes, sir, and that is considered one of the greatest disadvantages of the inspection system.

Q. Now don't you think in regard to very large contracts, such as Midland and Victoria harbour, and Fort William and the like, that the inspectors should be permanent men, thoroughly experienced and qualified if possible? A. Yes, sir, and if the dredging has to be done by scow measurement, as it is in some cases, my opinion has been that it is preferable to appoint an engineer as the inspector, or an engineer to supervise the work. My idea in regard to Tiffin, if it is renewed this year on a scow measurement basis, is to have an assistant resident engineer on the ground there all the time.

Q. Who would do all the actual inspection? A. Not actual inspection possibly; he would supervise the inspector's work, and do the actual inspection if possible, if there is only one inspector necessary, or in case of two inspectors being required on the contract he could supervise.

Q. That admits the principle, but having regard to the fact that you have under the present system to pick out men who are out of another job, I am asking whether with regard to dredging work it would not be better to have men who would be permanently employed by the department? A. As inspectors?

Q. Yes, it does not make any difference as to whether they are engineers or not; the first point is that they should be permanently employed? A. Yes, that would be better.

Q. It would be much better to get and keep a good man if you could give him a steady job? A. Certainly.

Q. And you would add to that, that it would be better still if the inspection could be done under the eye of an assistant resident engineer. A. Exactly, on large works.

Q. He, himself, either having the inspection, where he could, or having some body under his immediate control? A. Yes, and in large work especially, in my opinion, it is necessary to have an engineer to keep a check on any over dredging below the grades which an ordinary inspector is not qualified to do. This requires a certain amount of engineering knowledge in taking soundings and so on.

Q. Which a temporary man picked up at the beginning of the season cannot be expected to have in any case? A. Yes, and there have been cases of over dredging.

Q. Now at Victoria harbour and Midland, the resident engineer is Mr. Sing, of Toronto, isn't he? A. Mr. Sing, yes.

Q. Whose permanent residence is in Toronto, I think? A. In Toronto.

Q. And the inspectors at those two places have been local men? A. I believe so.

Q. At Fort William there is Mr. Merrick who has also Port Arthur under his control? A. Not Port Arthur.

Q. Hasn't he got Rainy River then? A. He had Rainy River, but a year ago it appeared to me that Mr. Merrick had all he could do to look after the work at Fort William and it was arranged that Rainy River be taken out of his jurisdiction.

Q. So he has simply Fort William now? A. Only Fort William; he is resident there, and on the ground all the time.

Q. There is a great deal of dredging taking place there? A. A very large amount.

Q. Would you suggest an assistant engineer for him? A. Yes, sir. I believe he has a man at present who devotes nearly all his time to the taking of soundings.

Q. Of course even where there is place measurement there is need of a check in the matter of towage? A. Yes, sir.

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Q. With regard to that, you have to have inspection, and of course it should be competent inspection? A. Yes, sir.

Q. Hitherto the nomination of inspectors has practically been in the hands of either the members supporting the government if there is one in the locality, or if the member happens to be in the opposition the nomination comes from the friends of the government? A. I believe that has been the practice.

Q. It seems as though it would be difficult to prevent the nomination of men being made in that way, but don't you think that extra care ought to be taken in seeing that the men nominated are really qualified, that there should be some more effective check by the resident engineer, or by yourself, or by somebody that a man who has been nominated is qualified? A. I believe that the proper system is to have the engineer appoint the inspectors.

Q. Of course you would not prevent any man from nominating a man to be inspector; that is the privilege of any subject, but the man nominated should be a suitable person? A. Yes, I think there should be no political consideration in the matter.

Q. As a matter of theory, you admit that it would be much more advisable to have no political influences whatever? A. Absolutely.

Q. But we have to recognize the existence of political influence in this country in all these matters, and I now ask you if you can suggest a way so that after a man has been nominated, precautions could be taken to see that such a man was really a qualified person. For instance, might not this be done, even under the present system—might it not be possible that the resident engineer, or yourself in charge of dredging could make a personal examination into the record and qualifications of the applicant, and require in every case certain certificates of character and the history of the man to be proved? A. Yes, I may say I am absolutely opposed to any appointment or the suggestion of the appointment of inspectors of a political nature.

Q. But suppose your objection does not prevail; would it not be still possible for greater precautions to be taken than are taken at the present time? A. Yes, possibly, if there is no insistence or interference afterwards, nor intimidation of any nature to keep a man on. Instructions that are sent out from our office very seldom, hardly in any case, mention the name of the inspector or where the inspector is to be obtained, but in all cases it mentions that the engineer should be satisfied that he is a competent and qualified man.

Q. But you are pretty well convinced, I fancy, from experience, that in practice the principle is for a supporter of the government to name the man? A. I believe absolutely in all cases, in fact I know that that is how they are obtained.

Q. What I am trying to lead up to is this, if the whole system were changed, and political influence were completely struck out, you, as assistant chief engineer or resident engineer would have to make the appointment of the inspectors? A. Yes, sir.

Q. Then if you were making the appointments yourself, you would either have to personally know the man, or you would have to take some precautions? A. Absolutely, yes.

Q. Where you did not know the man, what would you require? A. As qualifications for a position of that nature?

Q. What would you require? A. If a man was not personally known to the district engineer or to myself, I believe in the first place that a form should be gotten up mentioning the qualifications and some person to vouch for his character and sobriety, and the man should be questioned. There should be some investigation into his antecedents.

Q. And the resident engineer in every case should be satisfied, and should be able to satisfy you that the man is a fit and proper person? A. Absolutely.

Q. Don't you think that even to-day it would be possible for you to lay down such a form, and lay down a regulation to the resident engineer that in every case they

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were to be satisfied and must report their satisfaction that the appointee is thoroughly qualified? A. Under the existing conditions do you mean?

Q. Yes? A. Well, the district engineer has it in my instructions that he has to be absolutely satisfied that the man is competent and qualified.

Q. I was going a little further, I was going to suggest to you this: whether you could not now lay down the rule, in a positive new instruction, to the resident engineers that in every case they would be held responsible for the character and capacity of the inspector they appointed, that they must make certain prescribed inquiries, and have certain forms filled in, which you could supply them with, as to certain qualifications, and that these must be forwarded to you? A. I believe it is advisable to some extent to hold the district engineers responsible, but it must be clearly understood that they are not going to be responsible unless the political end is eliminated entirely.

Q. What you mean is this, you agree that such a thing would be desirable if it could be carried into effect? A. If it could be carried into effect and political influence could be eliminated I believe it would be a desirable thing.

Witness retired.

The Commission then adjourned.

OTTAWA, TUESDAY, March 26, 1912.

## PRESENT

Honourable A. B. MORINE, K. C.,  
*Chairman.*

G. N. DUCHARME, Esq.  
R. S. LAKE, Esq.,  
*Commissioners.*

Examination of WILLIAM JOHN TAYLOR, Accountant, of the City of Toronto, aged 54 years.

*Examined by the Chairman:*

Q. Mr. Taylor you have been employed with Mr. Dunlop for some time in preparing figures in relation to dredging? A. Yes, sir.

Q. And you have personally prepared a statement regarding dredging in the maritime provinces? A. Yes.

Q. Well what is the first statement? A. The first statement is marked "A", showing prices for dredging in the maritime provinces arranged according to localities for the years 1908, 1909 and 1911. This statement also shows the name of the contractor, the material and the quantity dredged with the price.

Q. Now by running up the column of price one can tell from that statement what prices were paid in the different years at the same place? A. Yes, sir.

Q. For illustration. St. John harbour work was done by the Maritime Dredging Company, by the Dominion Dredging Company, by J. S. Gregory? A. Yes, by those three.

Q. Now take the price, in 1908, ordinary spoil, by the Maritime Dredging Company, was how much? A. 50 cents and 30 cents.

Q. 50 cents at Beacon Bar? A. Yes, that is the name of the place in St. John harbour.

Q. Now in 1909 and 1910 the same firm at the same place got 39½ cents? A. Yes, sir.

Q. Now at various places in St. John harbour in 1908, some are charged as high as 90 cents? A. That is right, sir.

Q. In 1908 the Dominion Dredge Company at the same place got 90 cents per yard? A. That is right, sir.

Q. And in the same harbour in 1908, J. S. Gregory got 50 cents and 30 cents per cubic yard? A. Yes, sir.

Q. The greater portion being at 30 cents? A. Yes.

Q. Do you know whether that work done by Gregory was in a different part of the harbour that year? A. No, it is mainly St. John harbour, wherever it is mentioned at a special place I have it in.

Q. Now we will take Yarmouth in the province of Nova Scotia, work has been done there by the Dominion Dredging Company and the Maritime Dredging Company, has there not? A. Yes.

Q. But only small quantities by the Maritime Dredging Company? A. Yes.

Q. In 1908 the Dominion Dredging Company got 50 cents a cubic yard at that place? A. Yes.

Q. That is for ordinary spoil? A. Yes.

Q. And in 1909 they got 52 cents? A. Yes, sir.

Q. They got 50 cents and 2 cents extra towage? A. Yes, I have not seen the contract of course, but 52 cents is what was charged, and in the Auditor General's report it is charged at so much paid at 52 cents.

Q. Well then, in 1910 the same company got 29½ cents per cubic yard? A. That was 28 cents per cubic yard and 1½ cents.

Q. That is 28 cents for ordinary spoil and 1½ cents for towage? A. Yes.

Q. And the same in the year 1911? A. Yes.

Q. At Lunenburg in the province of Nova Scotia, W. J. Poupore & Company got how much per yard for ordinary spoil? A. 50 cents.

Q. And the same firm in 1910 got how much? A. 39½ cents.

Q. And the same in 1911? A. Yes, the same in 1911.

Q. Well you have prepared a statement "B" which you call a short statement, of some of those places where comparison could be made for the purpose of deciding which it would be desirable to go fully into? A. Yes.

Q. You draw attention there to the town of Digby in Nova Scotia? A. Yes, sir.

Q. Where in 1908, 50 cents was paid, and in 1909, and 1910 and 1911, 40 cents was paid? A. Yes.

Q. Then there is Oromocto in the province of New Brunswick where 50 cents was paid to the Maritime Dredging Company in the year 1909 and 30 cents was paid to J. S. Gregory in the year 1910? A. Yes, sir.

Q. You have not yourself inquired into the causes of these differences, Mr. Taylor, I suppose? A. No.

Q. In Mahone bay, Nova Scotia, in 1908, Poupore & Company got 55 cents, and in 1910 Peasley got 40 cents, is that right? A. Yes.

Q. And at Mirimachi in New Brunswick, in 1908 and 1909 Poupore got 60 cents per yard and in 1910 and 1911 he got 45 cents? A. Yes, sir.

Q. Well, Poupore was working in what they call Miramichi bay and Peasley was working in Miramichi river. You did not examine into the distinction between them? A. No, sir, I did not.

Q. At Loggieville, in New Brunswick, A. & R. Loggie, in the year 1908 and 1909 got 35 cents and in 1911, the Eastern Dredging Company got 25 cents, and Poupore got 33 cents for ordinary spoil? A. Yes.

Q. Both of them working at Loggieville? A. Yes, both of them working at Loggieville.

Q. The Eastern Dredging Company did about one quarter of the dredging? A. Yes, about a quarter of the total.



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Q. At Dalhousie in New Brunswick, A. & R. Loggie in 1908 got 50 cents and in 1909, 50 cents, and in 1910 and 1911 they got 39½ cents? A. Yes, sir.

Q. So far as you know? A. So far as I know at the same place.

Q. At Caraquet in New Brunswick, in 1909, they got 41 cents, A. & R. Loggie, is that right? A. Yes.

Q. And in the same place in 1910 and 1911 W. J. Poupore & Co. got 30 cents per yard? A. Yes, sir.

Q. Well at Lahave River, Nova Scotia, sometimes called Bridgewater, W. J. Poupore & Co. in 1909 got 97 cents and 79 cents per cubic yard for ordinary spoil? A. Yes, by reason of the different towages.

Q. The difference being ascribable to towage? A. Yes.

Q. And in 1910 and 1911 they got 55 cents I understand? A. Yes, sir.

Q. And in 1909 the rate was a flat one, including towage? A. Yes.

Q. And in 1909 the rate was a flat one, including towage? A. Yes.

Q. Generally speaking the prices you have quoted did not include towage? A. No, sir.

Q. That is in every case if the towage exceeds a certain maximum amount, an extra is allowed? A. Yes.

Q. Generally speaking, what extra price per yard per mile have you found allowed for towage? A. It would be hard to strike an average because there is 15 and 10½ charged in some cases.

Q. Not per mile surely? A. Yes, per yard per mile—no, I am mistaken there, that is for the whole total.

Q. But what is the average charge per yard per mile?—A. Oh an average of about 2 cents.

Q. But what is the average charge per yard per mile? A. Oh an average of 2 cents per yard per mile on towage? A. Yes.

Q. Then you have also prepared another statement I believe, Mr. Taylor? A. Yes, I have prepared a statement similar to the former but applicable to the years 1906 and 1907.

Q. You make a remark there about a payment to G. S. Mayes in 1907 and 1908? A. Yes, the Auditor General's report for 1907 and 1908 shows a payments of special contract made to G. S. Mayes of \$25,000. The papers show that Mr. Mayes was paid by the city of St. John for the work and the department afterwards paid over the \$25,000 to the city of St. John. There was nothing in the papers to show how many yards were dredged.

Q. You make a note with reference to the work done in St. John harbour by G. S. Mayes do you not? A. Yes, as follows: "G. S. Mayes apparently obtained the contract dated September 30, 1905, No. 5745, for dredging at Sand Point slip, St. John, for the price of 35 cents per yard for ordinary material and \$8.60 per yard for rock. Operations were carried on under this contract until January 8, 1908 when the work seems to have been completed so far as this contract went, but during the currency of this contract, namely, on August 8, 1906, another arrangement was made by telegram for carrying on dredging at the same place at a practically increased price. This arrangement was apparently confirmed by contract No. 6084, made September 21, 1906, the prices for the new contract were \$19.90 for rock over two cubic yards, \$5.60 for rock under two cubic yards, and 90 cents for ordinary spoil." The point is that the two contracts were running for part of the time concurrently, and it is a question if the work involved such a variation in prices.

Q. Has that anything to do with the previous contract with the city of St. John? A. No, that was a special contract.

*By Mr. Lake*

Q. Was there anything to indicate that this was at different places in the harbour? A. Sand Point slip is all that is on that report.

Q. There is nothing to indicate that the character of the work to be done was different? A. No, sir.

Q. Have you looked through the files in connection with these two contracts? A. There is nothing to show the dredging. I find the contractors' accounts merely.

*By the Chairman:*

Q. You found a peculiar affidavit did you not in relation to some work done by the Dominion Dredging Company? A. Yes, by the Dominion Dredging Company, that is right.

Q. The affidavit was made by one, who? A. Dennis Coholan.

Q. And it was dated in May 1908? A. Yes.

Q. Well there were weekly reports were there not? A. Yes.

Q. What period did it cover? A. From July to March 1908.

Q. Well wasn't there any intervening declaration, or was that the only declaration? A. That was the only declaration.

Q. Well there were weekly reports were there not?—A. Yes.

Q. But no affidavits, not testified to? A. No sir, not testified to.

Q. Nothing but the official declaration? A. Yes.

Q. Well that affidavit referred to dredging by the Dominion Dredging Company in the season of 1907 and 1908 did it not? A. Yes.

Q. And referred to 341,554 yards of ordinary material at 90 cents per cubic yard? A. Yes.

Q. And some rock at other prices? A. Yes, sir.

Q. That was a much higher price than has been paid since there, being 39½ cents paid recently for ordinary spoil? A. Yes.

Q. The Maritime Dredging Company are getting 39½ cents at St. John harbour at Beacon Bar? A. Yes, sir.

*By Mr. Lake:*

Q. Do you know what part of the harbour this dredging was done at? A. Sand Point slip is what they call it.

*By the Chairman:*

Q. Now the previous year from October, 1905, to January, 1908, G. S. Mayes was dredging at the same places? A. Yes.

Q. And getting 55 cents per cubic yard? A. Yes, sir.

Q. And then he got increased, as you have just said, to 90 cents? A. Yes, sir.

Q. And his prices of 55 and 90 cents seem to cover the same periods, I understand? A. Yes.

Q. The work under the 55 cent rate went on from October, 1905, to January, 1908, and the work done at the 90 cent rate from September, 1906, to June, 1907? A. Yes.

Q. Well it may be that the 90 cent rate paid to Mayes applied to dredging on some different class of material? A. It might have.

Q. Harder clay for instance? A. It might have.

Q. You don't know anything about that? A. No, sir.

*By Mr. Lake:*

Q. There is nothing to indicate it did on the paper? A. No, sir.

Q. Did you look into another contract of Mr. Mayes for dredging to be done in St. John harbour at \$1 per cubic yard? A. What year?

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*By the Chairman:*

Q. The same year? A. You mean the year 1906 and 1907?

Q. No, the year 1907 and 1908? A. I did not. I may say that a great many of the papers of 1906 and 1907 could not be got at, and also some of 1907 and 1908. The papers for the years 1908 and 1909 are all in full, but those of the years 1906 and 1907, and the years 1907 and 1908 are not procurable, the one Mr. Lake is speaking of would not be there, because some papers for that year I could not find.

Q. You looked up all the contracts you could find which were of interest in the year 1907 and 1908? A. No, I did not.

Q. Then you did not notice a contract with Mr. Mayes during that year? A. No, sir, the papers for 1906 and 1907 are very much muddled up there and I am quite sure I haven't got all of them.

Witness retired.

Examination of SAMUEL JOHN ROBINS, assistant secretary Public Service Commission, of the City of Ottawa.

*Examined by the Chairman:*

Q. You have been engaged for some time in collecting data in relation to dredging, Mr. Robins? A. I have.

Q. Now there are just a few places I want to ask you about. You have prepared a statement showing the amount expended on dredging in the province of Nova Scotia during the seasons for ten years from 1901 to 1910 inclusive, is that right? A. Yes, sir.

Q. The total in that province for the period was \$1,763,750.64? A. Yes.

Q. That does not include anything expended in the construction and improvement of dredges or dredging plant? A. No.

Q. Now have you prepared a similar statement for New Brunswick? A. Yes, sir.

Q. And the total expenditure there is how much? A. \$2,815,424.72.

Q. And a similar statement for Prince Edward Island? A. Yes.

Q. And what was the expenditure there? A. \$225,090.06.

Q. And you have prepared a similar one for Quebec? A. Yes.

Q. And what was the expenditure there? A. \$3,324,920.36.

Q. And I believe you have also prepared a similar statement for the province of Ontario, Mr. Robins? A. Yes.

Q. And what was the total expenditure in the province of Ontario over that period? A. \$9,365,265.47.

Q. And have you also prepared a similar statement for the province of Manitoba? A. Yes.

Q. And will you tell us the total expenditure for that province? A. \$257,351.41.

Q. Have you also prepared a similar statement for the provinces of Alberta and Saskatchewan? A. Yes.

Q. And what is the total expenditure in those provinces? A. \$37,183.72.

Q. And have you also prepared a similar statement for the province of British Columbia for the same period? A. Yes.

Q. And what is the total expenditure in the province of British Columbia? A. \$1,116,493.74.

Q. And then there was the general expenditure of \$42,282.89 making a total for ten years of how much? A. Making a total for the ten years of \$18,947,862.01.

*By Mr. Lake:*

Q. Does that mean both contract and departmental dredging? A. Yes.

*By the Chairman:*

Q. Now in Yarmouth, Nova Scotia, in the year 1908 and 1909 there was an expenditure of about \$18,000 wasn't there? A. Yes, according to the Public Works Departmental report.

Q. You took all your returns from the reports of the Public Works Department, all your figures? A. Yes, sir.

Q. Well in the same place in the year 1909 and 1910 what was the expenditure? A. \$88,972.74.

Q. And in the year 1910 and 1911 what was the expenditure? A. About \$93,000.

Q. And Digby, Nova Scotia, the amount expended in 1909 and 1910 was how much? A. \$20,887.50.

Q. And in the year 1910 and 1911 what was the expenditure? A. \$21,082.20.

Q. And in Mahone bay in the year 1908 and 1909 Mr. Robins, what was the expenditure? A. \$67,353.57.

Q. And in the year 1910 and 1911? A. \$15,910.60.

At this time Mr. TAYLOR who was in the room was asked the following questions by the Chairman:—

Q. Who did the work at Lunenburg, Nova Scotia, in the year 1907 and 1908? A. Messrs. W. J. Poupore & Co.

Q. At what price? A. 40 cents per cubic yard.

Q. And the same company in the next year did the work, that is the year 1908 and 1909, did the work at 50 cents per cubic yard? A. Yes, sir.

The examination of Mr. ROBINS was then resumed.

*By the Chairman:*

Q. How much was your expenditure in Lunenburg, Nova Scotia, in the year 1907 and 1908? A. \$99,262.94.

Q. And in the next year 1908 and 1909 what was the expenditure in the same place? A. \$71,234.54.

Q. And in the year 1910 and 1911 what was your expenditure at the same place? A. \$39,097.42.

Q. Well now you prepared a detailed statement for the province of New Brunswick did you? A. Yes, sir.

Q. Take Oromocto in the year 1909 and 1910, how much was spent at that place? A. \$28,638.23.

Q. And in the year 1910 and 1911 how much was spent at that place? A. \$19,562.33.

Q. Take Miramichi bay in 1909 and 1910, how much was spent there then? A. \$40,969.90.

Q. And in the year 1910 and 1911 how much was spent at the same place, Miramichi bay? A. \$79,267.63.

Q. And in the Miramichi river there has been a continual expenditure for several years has there not, Mr. Robins? A. Yes, sir.

Q. But in 1908 and 1909 what has been spent on that dredging? A. \$28,774.05.

Q. And in the year 1909 and 1910 how much has been spent there on dredging? A. \$1,248.10.

Q. And in the year 1910 and 1911 what was the total expenditure at that point? A. \$5,055.26.

Q. Now take Dalhousie harbour in New Brunswick, in 1908 and 1909 what were the expenditures of the last three years? A. In the year 1908 and 1909 the expenditure was \$25,175.49.

Q. And in 1909 and 1910? A. The expenditure was \$31,662.13.

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Q. And in the year 1910 and 1911 what was the total expenditure at Dalhousie harbour? A. \$22,338.70.

Q. What has been the total expenditure during ten years in the harbour of St. John strictly so called? A. The total expenditure for dredging in the harbour of St. John for the last ten years has been \$1,826,918.10.

Q. Well at St. John, at Andrew's wharf there was an expenditure in ten years of how much? A. \$92,874.44.

Q. Now in St. John river for the same period, what was the total expenditure? A. \$30,262.99.

Q. Now for St. John harbour, which is the chief one, beginning with 1905 and 1906 will you put it in the form of a table, Mr. Robins, and tell us what was the total expenditure? A. Yes. In 1905 and 1906 the expenditure was \$114,055.53, in 1906 and 1907 the expenditure was \$115,471.65, in 1907 and 1908 the expenditure was \$596,144.92, in 1908 and 1909 the expenditure was \$222,810.34, in 1909 and 1910 the expenditure was \$312,183.23, and in 1910 and 1911 the total expenditure was \$427,837.22.

Witness retired.

Mr. TAYLOR (recalled):

*Examined by the Chairman:*

Q. Have you prepared a statement in relation to the province of Quebec giving the same particulars as in previous cases I understand, Mr. Taylor? A. Yes, except that I have made this more fully, I was able to give the particulars for the six years.

Q. Now upon this statement you have made certain notes of your own, have you not, Mr. Taylor? A. Yes, sir.

Q. For instance, you make this statement: "With regard to some extra towage charges, if you were directed to show that even admitting extra towage was a proper charge, proper care was not exercised in all cases as to the actual allowance of the right number of yards, for instance, W. J. Poupore & Co., Maskinonge, in 1906, got paid for 13,000 yards as having been towed for three and a half miles, while 3,358 yards are shown by the report to have been towed only three miles." Well they would not get extra towage for three miles would they, Mr. Taylor? A. No sir.

Q. So that extra towage on that last amount should not have been allowed? A. No, sir.

Q. Then you say that Rivere du Loup, the St. Lawrence, the Great Lakes Dredging Company did some dredging in 1907? A. Yes, sir.

Q. And what is your note upon that? A. My note upon it is this that that contract apparently was made for 13 cents for ordinary spoil and 8½ for cast-over.

Q. I don't like the distinction which you and Mr. Dunlop have fallen into making between ordinary spoil and cast-over, because there is no distinction at all, they were to get 13 cents for towage included, that was under a certain distance? A. Yes.

Q. And if they cast it over they were to get 8½ cents? A. Yes.

Q. The spoil was the same in both cases? A. Yes.

Q. They dredged 98,440? A. Yes, sir.

Q. And what price did they get for that? A. 13 cents.

Q. How much of that was cast-over? A. 27,820 yards.

Q. Did they get the full price for the cast-over? A. Yes, sir.

Q. Once, extra towage took place—Was there an allowance for extra? A. Yes, there is an allowance for extra towage also.

Q. Comparing the prices paid at the various places for ordinary spoil in the different years, have you any remarks to make? A. Well, they seemed very different.

Q. Isn't the first thing that strikes you is that the prices differ materially? A. Yes, I have gone into that in the report, the differences in the prices strikes me as very great.

Q. The variation in prices in the different places? A. Yes, it seems something out of the ordinary.

Q. Well, for instance, take the year 1906 and 1907 for ordinary spoil the prices range from 8 cents at Maskinonge up to 57 cents at Como? A. Yes, sir.

Q. Then take the next year 1907 and 1908, the prices range again from 8 cents at the St. Maurice river to 29 cents at St. Andrews? A. Yes, sir.

Q. And in the year 1908 and 1909 what is the lowest price at any place? A. I think it is 10 cents at the St. Maurice river.

Q. And the highest is what? A. 35 cents at Dorion.

Q. And in the year 1909 and 1910 the price ranges from 10 cents at St. Maurice again to 32½ cents at Saguenay? A. Yes.

Q. And in 1910 and 1911 it goes from 15 cents at the St. Maurice to 21½ at St. Placide? A. Yes.

Q. And in the year 1911 and 1912 the prices range from what? A. The prices range from 14 cents at St. Maurice to 32½ at the Saguenay.

Q. Now, speaking of the Saguenay, there is a notable difference of prices there in different years is there not, take for instance in 1907 and 1908, the General Construction Company appears to have had a contract? A. Yes.

Q. What was the price? A. 34 cents per cubic yard.

Q. And the material was what? A. Clay and sand.

Q. And the same company in the year 1909 and 1910 got 32½ cents did they not? A. Yes.

Q. And in the year 1910 and 1911 the Continental Dredging Company got it at 21½ cents? A. Yes, sir.

Q. And in the year 1911 and 1912 the same company got it again at 32½ cents? A. Yes, sir.

Witness retired.

Mr. ROBINS (recalled):

*Examined by the Chairman:*

Q. What is the total expenditure in the ten year period at Saguenay in the province of Quebec? A. \$279,111.54.

Q. Will you please give me the amount per year for the last five years? A. Yes, in the year 1906 and 1907, the expenditure there was \$35,029, in the year 1907 and 1908 the expenditure was \$61,141, in the year 1908 and 1909 the expenditure there was \$35,656, in the year 1909 and 1910 the expenditure there was \$27,736, and in the year 1910 and 1911 the expenditure was \$38,555.

Q. Who were the tenderers for the Saguenay in 1908? A. The General Construction Company.

Q. For ordinary material? A. Yes.

Q. And the price? A. 32½ cents.

Q. They appear to have been the only tenderer that year? A. Yes.

Q. Well, in the year 1909 no tenders were received and the contract continued by order in council, was it not? A. Yes.

Q. At the same rates? A. Yes.

Q. Now in the year 1910 who were the tenderers? A. The Dominion Dredging Company.

Q. At what rate did they tender? A. 21½ cents.

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Q. For ordinary material? A. Yes.

Q. And who else? A. The Continental Dredging Company.

Q. At what price did they tender? A. 28 cents.

Q. I think the Dominion Dredging Company were the lowest tenderers? A. Yes.

Q. And who got the contract? A. The Continental Dredging Company.

Q. The highest tenderer got the contract? A. Yes.

Q. But at the figures of the lowest tenderer? A. Yes.

Q. Then in the next year who were the tenderers? A. The Continental Dredging Company.

Q. That was the only tender wasn't it? A. Yes, the only tender.

Q. And at what price? A. 35 cents, that is class B.

Q. That is ordinary material is it not? A. Yes.

Q. Did the engineer report on that tender? A. Yes.

Q. What was his report? A. His report was that he considered 30 cents a fair price.

Q. That would be Mr. Dufresne? A. Yes.

Q. And he wrote the company for a reduction? A. Yes.

Q. Well they were given the contract that year at what rate? A. At 32½ cents. Witness retired.

MR. TAYLOR re-called.

*Examined by the Chairman:*

Q. Now comparing some other places, take St. Placide, Cohen & Sons, 1906 and 1907, their price was 21½ was it not? A. No, it was 33 cents in 1906 and 1907.

Q. Well in 1907 and 1908 what was the price for dredging at St. Placide? A. 21½ cents per cubic yard.

Q. And in the year 1908 and 1909 what was it? A. 21½.

Q. And what was it in the next year, 1909 and 1910? A. 21½ cents per cubic yard.

Q. Well it has been 21½ cents per cubic yard ever since? A. Yes.

Q. Apparently the same material? A. Yes.

Q. Clay and sand? A. Yes, all the same material every year.

Q. Well now take Berthierville, in 1906 and 1907 Cohen & Sons were the contractors, what did they get? A. 21½ cents per cubic yard.

Q. And in 1907 and 1908 who were the contractors for the Berthierville dredging? A. The General Construction Company.

Q. At what price did the General Construction Company get the contract at Berthierville? A. 16½ cents.

Q. Who got the contract in 1910 and 1911 at Berthierville? A. Cohen & Sons.

Q. At what price? A. At 16 cents per cubic yard.

Q. And who had that contract in 1911 and 1912? A. W. J. Poupore.

Q. At what price? A. At 14 cents a cubic yard.

Q. Now take St. Andrews in 1906 and 1907, clay and sand, how much was that? A. 55 cents, to the General Construction Company.

Q. And in 1907 and 1908? A. The price was 25 cents.

Q. And to whom did the contract go? A. The Dominion Dredging Company.

Witness retired.

Examination of BRUCE B. MACFARLANE, chartered accountant, of the district and city of Montreal, aged 23 years.

*Examined by the Chairman:*

Q. You have been engaged with Mr. Dunlop in the dredging branch of the Department of Public Works preparing statements? A. Yes.

- Q. Particularly in relation to departmental dredges? A. Yes.
- Q. Now in relation to the question of towage, some of the departmental dredges down there have their own tow boats attached to them, that is belonging to the government? A. Yes.
- Q. And towage is also contracted for from time to time? A. Yes, sir.
- Q. And you have given me one statement here which refers to the employment of tug boat to serve the dredge *W. S. Fielding*? A. Yes.
- Q. That is in the year 1911 and 1912? A. Yes.
- Q. She has been engaged where, at what particular place, Mr. Macfarlane? A. In St. John harbour.
- Q. That is St. John, New Brunswick? A. Yes.
- Q. She has some tug boats of her own has she not? A. Yes.
- Q. That is departmental tugs? A. Yes.
- Q. How many has she? A. Two.
- Q. And besides those two a third tug has been employed? A. Yes, a third has been employed besides those two.
- Q. What was the amount paid in that period for this tow boat? A. \$5,492.62.
- Q. Of which the chief amount went to John D. Moore of St. John, did it not? A. Yes.
- Q. For the use of the tug? A. For the use of the tug called *Lord Wolsley*.
- Q. How much per day was paid her? A. At the rate of \$37.50 per day.
- Q. What total amount was paid that year for her services? A. \$5,203.12.
- Q. Did you notice anywhere in the papers in connection with her whether there was any contract or correspondence in connection with this matter? A. No, sir.
- Q. Now you have prepared a summary of towage paid for departmental dredges in the maritime provinces in the season of 1910 and 1911, have you not? A. Yes, sir.
- Q. What do you mean by "paid for" departmental dredging in the statement, what do you mean by those words? A. Paid for outside tug services.
- Q. You mean paid for the services of tugs belonging to private persons? A. Yes, sir.
- Q. And not including the cost of any department dredges? A. No, sir, not including the cost of any departmental tugs.
- Q. Nor their operation? A. No, sir.
- Q. In that season what was the total amount paid for those tugs belonging to private person? A. \$60,542.80.
- Q. That covers the contract tugs attending on the different dredges? A. Yes, sir.
- Q. What was the largest payment? A. The *Cape Breton*.
- Q. Well how many tugs does she appear to have had attending upon her in that season? A. Three.
- Q. Well, she appears to have had five about her at different times? A. Yes, sir.
- Q. Well of those two appear to have just rendered small services in towing her from one place to another or something of that sort? A. Yes, sir.
- Q. But the tug *Fairy*, Joseph Fraser & Sons, were paid over \$3,339, the tug *Nelson* and owners were paid \$3,374 and for the services of the tug *Merrimac* of North Sydney, the owners were paid \$9,235.50? A. Yes, sir.
- Q. Well 220 days would cover pretty well the whole working season wouldn't it? A. Yes, sir.
- Q. So that presumably the *Nelson* and the *Merrimac* were together with the *Cape Breton* most of the time? A. Yes, sir.
- And the *Fairy* would also appear to be there a considerable portion of the time? A. Yes, sir.
- Q. By the statement she was there 102 days? A. Yes, sir.



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Q. The next largest amount paid for tug boats for dredges that year was what?—  
A. For the *St. Lawrence*.

Q. Working in the Baie des Chaleurs? A. Yes.

Q. And the towage paid for in relation to her was how much? A. \$10,320.

Q. There were two tugs in attendance on her? A. Yes.

Q. The *William Aitken* for 134 days at \$40 per day? A. Yes.

Q. That is \$5,360? A. Yes.

Q. And the *Goliath* 124 days at \$40 per day? A. Yes.

Q. That is \$4,960? A. Yes.

Q. Apparently the two tugs were there at the same time? A. Yes.

Q. You examined the accounts, of course, that were sent in and certified? A. No, I did not examine the accounts, I took it from the Auditor General's report.

Q. You have also prepared a statement showing the towage paid in the season of 1911 and 1912? A. Yes.

Q. That would not be for a full year? A. Up to October \$1.

Q. That statement would only cover up to October 31, 1911? A. Yes.

Q. The total amount spent in the maritime provinces for that period is how much Mr. Mcfarlane? A. \$45,976.54.

Q. Of which again the largest amount is for the *Cape Breton*? A. Yes.

Q. How much for her? A. \$13,560.

Q. And how much for the *St. Lawrence*? A. \$4,155.

Q. And how much for the *Montague*? A. \$4,091.67.

Q. And for the *Canada*? A. \$4,785.

Q. You have prepared a statement in regard to wharfage for *W. S. Fielding* in St. John, New Brunswick, for the season 1911 and 1912? A. Yes, sir.

Q. What was the total of that? A. \$2,021.

Q. How do you summarize it? A. I summarize it as follows: Macavity's wharf, 214 days at \$8.75 per day, \$1,872.50, H. N. Gregory & Sons, 99 days at \$1.50 per day, \$148.50.

Q. Making altogether a total of? A. \$2,021.

Q. That would be up to what date? A. October 31, 1911.

Q. Presumably the charge is continuing? A. Yes, sir.

Q. At what rate was the Intercolonial Railway paid for 32 days wharfage of the *Restigouche*? A. \$2.25 per day.

Q. Now Mr. Macfarlane you have also prepared a statement in connection with some expenditures on the *Restigouche* have you not? A. Yes, sir.

Q. Well you have taken that from what? A. The Auditor General's report for 1910 and 1911.

Q. That dredge was bought in the United States from the United States Engineering Company, was it not? A. She was bought from the United States Engineering Company but was built in Holland and said to be finished in 1910.

Q. The amount paid for her I understand, was \$50,000? A. Yes, sir.

Q. Is there anything in that statement to which you wish particularly to draw my attention? A. To the repairs and equipment on the vessel during the season of 1910.

Q. How much did they amount to? A. \$6,287.88.

Q. To whom was that payment made? A. To Ferguson & Cox, that is one payment.

Q. Where are they? A. Nova Scotia people.

Q. Halifax? A. I think so.

Q. And the payment to Ferguson & Cox was \$2,951? A. Yes.

Q. And then there were William Robertson & Sons I see to whom were paid \$1,344? A. Yes, sir.

Q. And W. W. Howell, repairs and alterations, \$966? A. Yes, sir.

Q. And T. Macavity & Sons were paid \$732? A. Yes.

Q. Well generally you mean to say that you were struck by the large amount of repairs and equipment on a dredge which had just been bought? A. Yes, sir.

Q. In relation to the dredge *Cape Breton* have you prepared a special statement about repairs to it, Mr. Macfarlane? A. For the past five years.

Q. What have they totalled? A. \$41,058.01.

Q. And what is the value she is estimated at in the department? A. In January, 1912, she was valued at \$56,000.

Q. The repairs, on her have cost \$41,000 and the total value of the dredge is put down at \$56,000? A. Yes.

Q. These repairs, although you say in the last five years, were paid chiefly in the last four years were they not? A. Yes, sir.

Q. Did you find from the papers whether in regard to most of these repairs there was any contract at all? A. In one or two instances only.

Q. In one or two instances only? A. Yes.

Q. Just in a few minor particulars there is some mention of a contract? A. Yes.

Q. In connection with the dredge *Northumberland*, you have also provided me with a statement showing amount paid for repairs, &c., in connection with the boat in 1911? A. Yes, sir.

Q. This statement is a copy of some bills that were put in? A. Yes.

Q. In the first place you have put in a bill \$5,224.67 paid J. & J. Yorkton of Pictou, Nova Scotia? A. Yes.

Q. Certified to by G. M. Graham, the local superintendent? A. Yes, sir.

Q. And the first item is winter berth at the slip as per agreement, \$2,600, that is correct? A. Yes, sir.

Q. That was just for a winter berth, she was hauled up in the slip and left there, and they got \$2,600 for that? A. Yes, sir.

Q. Otherwise it would be covered with snow? A. Yes, sir.

Q. Did you see any form of agreement in connection with that Mr. Macfarlane? A. No, sir.

Q. Well then the next item is \$1,926 made of 7,704 hours of work at 25 cents per hour? A. Yes.

Q. Do you know any precaution having been taken to check the amount of work? A. No, sir.

Q. There was nothing indicated in any way from what you could see? A. No, sir.

Q. Then there is a bill for \$1,760 for hauling, wintering in the yard at New Glasgow, scraping, cleaning, painting and launching pontoon as per agreement? A. Yes.

Q. Did you see any agreement with reference to these? A. No, sir.

Q. That is paid Matheson & Co., Limited, of New Glasgow, Nova Scotia? A. Yes, sir.

Q. How much in all has that company received in the early part of June, 1911, for work on this dredge? A. \$3,495.69.

Q. Then you have given me a statement of an expenditure of an inspection launch in the season of 1910 and 1911? A. Yes.

Q. How much? A. \$6,509.26.

Q. The foreman and carpentry work amounts to how much? A. \$1,592.12.

Q. And J. A. Pugsley & Co., they were paid how much for marine engines? A. \$2,976.12.

Q. And for a propeller shaft? A. \$64.05.

Q. Making a total of? A. \$3,040.15.

Q. Now you have prepared a statement showing payments for coal supplied to departmental dredges in the maritime provinces during the season of 1911 and 1912? A. Yes.

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Q. That is again up to October 31, 1911, I understand? A. Yes, sir.

Q. That statement shows the dredge or tug as the case may be to which the coal was supplied? A. Yes.

Q. And also the price paid and also the person to whom payment was made in each case? A. Yes, sir.

Q. Now take the *W. S. Fielding* for instance, the chief items for coal for her are to the Dominion Coal Company? A. Yes.

Q. And the price was \$4 per ton? A. Yes, sir.

Q. Well the same company supplied the *Hercules*—and of course the tugs in attendance on her—the *Hercules* and the *Helena* got the coal from the same company at the same price naturally? A. Yes.

Q. Now take the *Pawnall*, she was in Prince Edward Island was she not? A. Yes.

Q. And her coal was supplied by Joseph Reid & Company, Limited, at \$4.75 per ton? A. Yes.

Q. But I notice that Picard & Company supplied Sydney steam coal to her on one occasion at \$4.25 per ton? A. Yes, sir.

Q. Now the *Restigouche* got her coal from the Bathurst Lumber Company in May and June, or rather down to the 10th of June, and the price was how much per ton? A. \$6.

Q. That was down to the 10th of June? A. Yes, sir.

Q. And after that what was the price? A. \$5.

Q. I suppose that was in the spring? A. Yes.

Q. Bathurst is open to navigation in May I suppose? A. Well, I don't know. Mr. DUNLOP.—Yes, I may say that it opens early down there.

Q. The *St. Laurent* got coal from R. B. Shives? A. Yes.

Q. She was at Campbellton? A. Yes.

Q. And what was paid for that coal? A. \$5 per ton.

Q. The *Montague* at Charlottetown in May paid \$4.75 and in July paid \$4.50 a ton for coal? A. Yes, sir.

Q. The *Northumberland* at Pictou, Nova Scotia, her coal was purchased from whom, Mr. Macfarlane? A. From C. Dwyer & Sons.

Q. And with what kind of coal in the main? A. Acadia, Acadia lump coal.

Q. And the price paid for it all through the season was how much a ton? A. \$4.60.

Q. The *Canada* was on the south coast of Nova Scotia and she bought her coal or it was purchased for her from different people? A. Yes.

Q. At Liverpool for instance, F. W. Hatt got \$5.30 a ton for Sydney reserve coal? A. Yes.

Q. And in Shelburne County C. D. Crowl got \$5.50 for coal? A. Yes, sir.

Q. And J. J. Leblanc at Lower East Pubnico, got how much? A. He got \$3.75 for coal.

Q. And D'Entremont got \$6 a ton? A. Yes.

Q. Now the *George Mackenzie* was dredging in Cape Breton wasn't she? A. Yes, sir.

Q. And her coal cost in the main about \$3 a ton? A. Yes, sir.

Q. I see however that in September she got some Acadia lump coal at \$3.75 per ton? A. Yes.

Q. The coal for the *Cape Breton* which was operating in Cape Breton cost about \$3 in some cases and in one case cost \$4 for reserve mine coal? A. Yes, sir, in two cases.

Q. In two cases it cost \$4 for reserve mine coal? A. Yes.

Q. Well you have endeavoured to prepare a statement showing what quantities

and prices of provisions purchased for departmental dredges in the maritime provinces I understand? A. Yes.

Q. Now generally with relation to that what have you to say? A. First that the quantities were purchased from different persons. They would only be one month from one firm and the next month from a different firm.

Q. The supplies were purchased from a different firm each month? A. Yes.

Q. Parcelling it out apparently? A. Yes.

Q. And nothing you saw showed that there was any tender or contract for it? A. No, sir.

Q. Is that generally true with regard to the supplies to all the dredges, that you found they were purchased from different persons? A. Yes.

Q. Chiefly your statement on this particular refers to the *W. S. Fielding*? A. Yes.

Q. Were you able to compare the prices with current prices? A. No.

Q. I suppose you could not compare them very well with current eastern prices? A. No, I could not.

Q. Well now with regard to beef supplied to the *W. S. Fielding* at St. John, have you any note to make? A. Beef was supplied at 12 cents a pound, a different firm nearly each month.

Q. And the price was always the same although the firms differed? A. Yes.

Q. And it was the same all through the season? A. Yes, sir.

Witness retired.

The Commission then adjourned.

OTTAWA, Tuesday, March 26, 1912.

PRESENT.

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
R. S. LAKE, Esq.,  
*Commissioners.*

Mr. TAYLOR (recalled):

*Examined by the Chairman:*

Q. Mr. Taylor, you have been preparing some figures as to the cost of subsistence per head of the crews on the dredges in the maritime provinces? A. Yes, sir.

Q. And the statements you now hand in are the result of that computation? A. Yes.

Q. Where did you get your figures? A. From the Auditor General's report.

Q. Entirely as to amounts? A. Entirely as to amounts.

Q. Where did you get the number of men on the pay-roll? A. From the pay-sheets.

Q. And the number of day's board as per pay-roll? A. Yes, as per pay-roll. I got these details from the Auditor General's report, but the bills that came in from the original suppliers which are furnished by the Auditor General, were furnished to me. We had the bills from the Auditor General.

Q. You did not have the original bills? A. Yes, we had the original bills from the people who sold those goods.

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Q. Now you find that the cost on the *Montague* is how much? A. 42.8.

Q. That is 42.8 cents per man per day? A. Yes.

Q. And on the *St. Lawrence*? A. 41.55.

Q. And on the *W. S. Fielding*? A. The cost on the *W. S. Fielding* was 35.88 per man per day.

Q. And on the *New Brunswick*? A. On the *New Brunswick*, 41.89 cents per man per day.

Q. And on the *Cape Breton*? A. 54.89 per man per day.

Q. And on the *Northumberland*? A. The cost on the *Northumberland* was 59.18 cents per man per day.

Q. Can you give any explanation for this variation, Mr. Taylor? A. I cannot.

Q. The largest boats were the *Fielding* which had 32 men on board on an average? A. Yes.

Q. And the *Northumberland* would have an average of about 30 men on board? A. Yes, sir.

Q. Then lower than those are the *Cape Breton* with an average of 17 men on board? A. Yes sir.

Q. And the *New Brunswick* with an average of about 12 men? A. Yes sir.

Q. And the *Montague* with an average of about 14? A. Yes.

Q. The most expensive boat then was the *Northumberland* with the second largest crew? A. Yes, sir.

Q. And compared with the *Fielding* she was as 59.18 is to 35.88, or nearly 20 cents per day per man difference? A. Yes, sir.

Q. Have you any explanation to offer for that at all? Did you examine the prices of those two ships to see whether the difference was in the prices or in the quantities or in what it was? A. Well no, that wasn't done.

Q. I suppose without great difficulty you could compare the prices and quantities? A. Yes.

Q. Well you might make a comparison between the *Fielding* and the *Northumberland*, comparing the prices and quantities of different articles so as to ascertain if possible why the cost was greater in one case than in the other? A. Yes, sir.

Q. Where was the *Northumberland* operating? A. At Pictou, and inside of Sydney there.

Q. On the north shore of Nova Scotia? A. Yes, sir.

WILLIAM M. DUNLOP, chartered accountant, Ottawa (re-called):

*Examined by the Chairman:*

Q. You have been preparing and assisting in preparing data from the dredging branch of the Department of Public Works Mr. Dunlop? A. Yes, on the contract work.

Q. Can you tell me first with reference to the contracts of the Great Lakes Dredging Company Limited for work done where? A. Up in the Fort William district.

Q. The contract there allowed them a fixed rate per yard dredge, and also extra towage? A. Extra towage and beyond the prescribed distance mentioned in the specification.

Q. And generally that was what? A. Generally three miles.

Q. About three and a half miles from the place of the dredging, the maximum distance from the dredging? A. Yes.

Q. What was the rate per yard per mile outside of that? A. One cent per yard per mile.

Q. Now for the five years for the dredging season of 1907, 1908, 1909, 1910 and 1911, extra towage was paid on how many yards of material? A. On 13,528,822 cubic yards.

Q. And the amount paid for extra towage was how much? A. \$238,739.67.

Q. That latter amount just represents the extra towage? A. Exactly.

Q. The greatest amount allowed for extra towage was in what year, Mr. Dunlop?  
A. In the year of 1911.

Q. And the amount was how much? A. \$79,011.46. I would also draw your attention to the fact that year of 1910 is smaller by reason of nothing being done except 150,000 yards of that extra three feet.

Q. Wait a moment now before speaking about that—you have prepared a detailed table showing the amount of extra towage for each of these years? A. Yes.

Q. Then those detailed tables also show the amount on which extra towage was paid, that is the number of yards on which extra towage was paid each year, and the total amount paid? A. Yes.

Q. And it also shows the amount or rather the number of yards which were towed or on which allowance for being towed was made for various distances? A. Yes.

Q. And the extra miles towed vary from 1 up to—what was the largest? A. Up to six miles, that is six cents charged extra.

Q. Then that would mean the towage of six miles beyond the prescribed limit?  
A. Yes.

Q. So if that were a correct charge according to the contract they would have carried that material nine miles? A. Yes, exactly.

Q. Well practically nine and a half miles from the place where the dredging took place? A. If it came from the Mission river.

Q. You say if it came from the Mission river it would be towed nine and a half miles? A. Yes.

Q. But if it came from the Kaministiquia river it would be nine miles according to what you have explained to us a few moments ago? A. Yes.

Q. Now, with the exception of 1910 there was towage as high as six miles extra every year apparently? A. Yes, sir.

Q. In the year 1910 what was the reason why so much excess towage was not allowed? A. Mainly on account of the dredging not being proceeded with, or being proceeded with very slowly or the extra three feet required to be performed under contract 7339, to increase the depth from 22 feet to 25 feet. The operations on that head were decreased in the year 1910, therefore there was not so much spoil material by a great deal to be towed and deposited.

Q. Now you have prepared a statement showing the details of the contract performed by the Great Lakes Dredging Company in the year 1910 and 1911, and also in the year 1911 and 1912? Yes, and the season of 1911, that is 1911 and 1912.

Q. One is 1910 and 1911 and the other is 1911 and 1912, the way they are marked? A. Yes.

Q. Contract No. 7339 with the Great Lakes Dredging Company was the one which provided for deepening the water where it had already been dredged to 22 feet, down to 25 feet? A. Yes.

Q. And the total amount of dredging under that contract in the season of 1910 was 119,785 cubic yards, costing \$34,541.12? A. Quite so.

Q. Of which the sum of \$839.50 was for extra towage? A. Quite so.

Q. And the remainder was at 22½ cents per cubic yard? A. Yes, at 22½ cents per yard, the estimated unit prices.

Q. You don't mean the estimated unit price, but the contract unit price? A. Yes, the contract unit price.

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Q. Then in the year 1911 under the same contract the total number of yards dredged were 633,335? A. Yes.

Q. And the total amount paid was \$100,227? A. Yes.

Q. Of which \$16,977.01 were for extra towage? A. Quite so.

Q. Well can you offer any explanation as to why so much more dredging took place in this extra deepening in 1911 than in the previous year, 1910? A. No, sir.

*By Mr. Lake:*

Q. Were they employing the same force there, the same number of dredges? A. No, necessarily not, there were only—they were employing the same number of dredges generally, but not on this particular work, no, sir.

*By the Chairman:*

Q. Now with regard to these details for that year they give month by month under the various contracts of that company the amount which they were paid for dredging? A. Quite so.

Q. And the total paid to that company for the dredging in the season of 1910 would be \$650,847? A. That is correct, sir.

Q. And in the year 1911 the total amount was \$744,938.44? A. Quite so.

Q. With reference to the yardage, the quantity dredged in 1910 was 3,070,535? A. Yes.

Q. And in the year 1911 the quantity dredged was 4,004,744 yards? A. Yes.

Q. Was that year 1911, the largest year of their dredging do you know, Mr. Dunlop? A. Yes, that was the largest year.

Q. But the amount in 1909 was nearly the same? A. Yes, quite so.

Q. Now referring to Tiffin, that is one end of Midland harbour isn't it? A. Yes.

Q. In 1907 the Owen Sound Construction and Dredging Company Limited had a contract there? A. Yes, sir.

Q. In 1908 it was the Canadian Dredging and Construction Company Limited that had that contract? A. Yes, in 1908 the contract was given to the Canadian Dredging and Construction Company.

Q. That was the first time that company appeared on the scene? A. Yes.

Q. But the same company however did the work in 1909 didn't they? A. Yes.

Q. And in 1910? A. Yes, in 1910 they did.

Q. And in 1911? A. Yes, the same company.

Q. Did the work in 1911 also? A. Yes, the same company under the same name.

Q. Well now, the Owen Sound Dredging and Construction Company Limited apparently got 27 cents in 1907? A. Yes.

Q. And the other company has received 29 cents per yard steadily? A. Yes.

Q. In addition to which the other company has had—well first the Owen Sound Dredging and Construction Company, Limited in the season of 1907 had some cast-over? A. Yes.

Q. For which they received 18 cents a yard, didn't they? A. Yes.

Q. And in the year 1908 there was also some cast-over was there not, Mr. Dunlop? A. Yes.

Q. For which the Canadian Dredging and Construction Company received how much? A. 22 cents a yard.

Q. And in 1909 the same thing? A. Yes.

Q. You have not the figures here for 1910 and 1911 at the present moment I understand? A. No, sir.

Q. In the season of 1907 the Canadian Dredge and Construction Company did some work apparently at Midland harbour didn't they? A. Yes, sir.

Q. How many yards did they do? A. 210,614.

Q. And they were paid how much? A. \$54,759.64.

- Q. Per yard they received how much? A. They received 26 cents per yard.
- Q. That is the same company that the next year took the dredging at Tiffin at 27 cents? A. Yes.
- Q. And Tiffin is in Midland harbour? A. Yes.
- Q. Now Victoria harbour is quite close to Midland harbour isn't it? A. Yes, you might almost say it forms part of it, I believe they are two different bays.
- Q. In the season of 1907 the Owen Sound Dredging and Construction Company did work there? A. Yes.
- Q. How many yards did they excavate? A. 124,100 yards.
- Q. How much were they paid for that? A. \$9,920.
- Q. How much per yard were they paid? A. They were paid at the rate of 8 cents per yard.
- Q. Who did the dredging at Victoria harbour in the year 1908? A. The work was begun in May 1908 by the Owen Sound Dredging and Construction Company and charged for by them.
- Q. At what rate was that? A. That was at the rate of 12½ cents per cubic yard.
- Q. How long did they work and how much did they get paid for? A. They got paid for 6,050 yards amounting to \$756.25.
- Q. Well then in the same season who went on and finished that work? A. The Canadian Dredging and Construction Company of Midland.
- Q. In the year 1909 who did the work there? A. The Canadian Dredging and Construction Company.
- Q. What amount did they do? A. They dredged 912,866 yards.
- Q. And what amount were they paid for that work? A. \$179,114.94.
- Q. At what rate was that? A. 12½ cents per cubic yard.
- Q. Does that return show how many dredges they had working there? A. Yes, sir.
- Q. How many? A. Four dredges.
- Q. They had four dredges working there? A. Yes.
- Q. That was in what year? A. That was in the year 1909.
- Q. What were those dredges called? A. They were called Dredge No. 9, the *Monarch*, the *Sydenham* and the *Excelsior*.
- Q. That is in 1909? A. Yes.
- Q. I notice in 1908 instead of the *Sydenham* they had one called the *Maine*? A. Yes.
- Q. She does not appear afterwards, do you know whether there was a mere change of name? A. She does not appear, I cannot say.
- Q. Do you know anything about the crews those dredges would have on board? A. No, sir.
- Q. Can you tell from the returns up in the department? A. There is no evidence at all.
- Q. There is no evidence on that point at all? A. No, sir.
- Q. Or how many men there would be used or what their cost would be? A. No, sir.
- Q. Nothing of the sort? A. No, sir.
- Q. You prepared a statement here for contract dredging in the season of 1908 at Collingwood harbour by the C. S. Boone Dredging and Construction Company? A. Yes.
- Q. What amount did they dredge that year at Collingwood? A. The cubic yardage was 46,455 yards.
- Q. And the cost? A. Costing \$47,954.35.
- Q. That is an average of more than \$1 per yard? A. Yes. Now I might call your attention to the fact that the same dredge did some work at the Collingwood Meat Company at a much less price.
- Q. The name of the dredge was the *Kingsford*? A. Yes.



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Q. And in October and November of the same year she did some work at what is called the Meat Company's dock, taking out 5,955 yards at a cost of \$2,084.25?  
A. Yes.

Q. So that that one dredge earned about \$50,000 nearly that year? A. Yes.

Q. For doing the major portion of the work at Collingwood she received 75 cents for all material except rock? A. Yes.

Q. For doing the work at the Meat Company's dock she only got 35 cents?  
A. That is correct.

Q. You could not find any contract? A. Not for that work at the Meat Company's dock.

*By Mr. Lake:*

Q. That was paid for by the company I suppose? A. Yes.

*By the Chairman:*

Q. The distance towed from the harbour was in every case one mile and a half?  
A. Yes.

*By Mr. Lake:*

Q. What year was that? A. That was in the season of 1908.

Q. In 1907 work was being done at Midland by the Canadian Dredging and Construction Company and also by the Owen Sound Dredging and Construction Company was it not? A. Yes, Mr. Chairman, that is right.

Q. Well, the Canadian Dredging and Construction Company got 26 cents didn't they? A. Yes, they got 26 cents per yard.

Q. And the Owen Sound Dredging and Construction Company got 27 cents per yard? A. Yes.

Q. The Canadian Dredging and Construction Company did 210,000 yards?  
A. Yes.

Q. And the Owen Sound Dredging and Construction Company did 368,000 yards? A. Yes.

Q. And they were both dredging in the same harbour? A. Yes.

Q. Do you know of any distinction whatever between the work? A. No, sir.

Q. I notice that according to your table the Canadian Dredging and Construction Company got the smaller price, but had to tow three miles? A. Yes.

Q. While the Owen Sound Dredging and Construction Company getting the larger price had to tow only one mile? A. Yes, it was a difference of three cents in the cost, I have figured that out. The difference between the 26 and 27 cents and the reduction of towage from three miles to one mile for the higher price meant practically an increase of price per yard of three cents.

Witness retired.

Mr. ROBINS (recalled):

*Examined by the Chairman:*

Q. At Midland in 1907 the Canadian Dredging and Construction Company tendered for 28 cents per yard and were given the contract? A. Yes.

Q. You produce the tender file No. 304,381 from the Public Works Department?  
A. Yes.

Q. Being the tenders for dredging received in 1907? A. Yes.

Q. Now for dredging in Midland the Canadian Dredging and Construction Company on the 4th of May, tendered at \$2.40 for rock and 53 cents for other material?  
A. Yes, sir.

Q. The Penetanguishene Dredging Company on the same date tendered at \$3 for rock and 57 cents for other material? A. Yes.

Q. And on the same day the Canadian Dredging and Construction Company tendered for \$3.50 for rock and 18 cents for other material at Waubaushene? A. Yes.

Q. And the Dominion Dredging Company tendered for \$2.50 for rock and 30 cents for other material at Midland? A. Yes.

Q. On the same day the Penetanguishene Company tendered for \$3.40 for rock and 16 cents for other material at Waubaushene? A. Yes.

Q. And the Canadian Dredging and Construction Company tendered for \$3.50 for rock and 18 cents for other material at Waubaushene? A. Yes.

Q. So we have the Canadian Dredging Company higher at Waubaushene and lower at Midland than the Penetanguishene Dredging and Construction Company? A. Yes.

Q. And we have the Penetanguishene Dredging and Construction Company higher at Waubaushene and lower at Midland than the Canadian Dredging and Construction Company? A. Quite so.

Q. That was the way it worked out? A. Yes.

Q. Well those are the tenders which Mr. Bennett, the member of parliament for East Simcoe, brought before the House of Commons in the session of 1908, and charged that they were collusively put in? A. I understand that to be so.

Q. You have read the "Hansard" and know those are the tenders to which that complaint by Mr. Bennett referred? A. Yes.

Q. Then for the Midland contract the tender of the Canadian Dredging Company was accepted by the acting Minister of Public Works at that time? A. Yes.

Q. The initials 'A.B.A.' refer to Mr. Aylesworth the Minister of Justice? A. Yes.

Q. That acceptance took place of course before the discussion in the House? A. Yes.

Q. Now look at this document I now show you being a tender without date from the Canadian Dredging and Construction Company to do the work at Midland for \$2.25 for rock and 26 cents for other material? A. Yes.

Q. So they were asking now 26 cents per cubic yard for the other material that they asked 53 cents per cubic yard for before? A. Yes.

Q. Do you observe the tender is without any date? A. Yes.

Q. Well you see all these other documents I put before you now, the Canadian Dredging and Construction Company were given the contract dated the 9th day of July, 1907, for the work in Midland? A. Yes.

Q. And on the 16th day of July, 1907, the Owen Sound Dredging and Construction Company were given a contract at 27 cents per cubic yard for other material and \$2 for rock for dredging at Midland? A. That is at Tiffin.

Q. Which you understand to be a part of Midland harbour? A. Yes.

Q. Do you notice that there is a tender from the Owen Sound Dredging and Construction Company to do that work and that it also is not dated? A. Yes.

Q. That tender is not on the file for the year 1907? A. No.

Q. It is not on the ordinary file for tenders for that year? A. No.

Q. And therefore presumably did not come in with the ordinary tenders? A. No, and neither is that second tender from the Canadian Dredging and Construction Company.

Q. That is not on the ordinary file either? A. No, sir.

Q. Now look at the year 1908—for Midland in 1908 the Canadian Dredging and Construction Company were the only tenderers? A. Yes.

Q. At \$2.25 per yard for rock and 28 cents per cubic yard for other material? A. Yes.

Witness retired.

## SESSIONAL PAPER No. 57

Mr. DUNLOP (recalled):

Mr. DUNLOP.—I would like to remark that a noteworthy feature of the work done at Tiffin and Victoria harbour, Ontario, is that the dredging work was begun in May, 1908, by the Canadian Dredging and Construction Company, Limited, while the contracts authorizing the same were not executed until the 4th of August, 1908.

*By the Chairman:*

Q. Mr. Dunlop, you produced a contract dated the 4th of August, 1908, with the Canadian Dredging and Construction Company for the work done in the harbour at Tiffin? A. Yes.

Q. At the rate of 29 cents per cubic yard for other material and \$2.25 for rock? A. Yes.

Q. That was on an undated tender? A. Yes.

Q. Now, will you look at the contract just before that which I gave you? A. This is an undated contract also.

Q. Have you there the contract for 1908, for Midland? A. Yes, there it is.

Q. But this is made in 1908, at the end of 1908, but there is a contract for 28 cents, a contract with the Canadian Dredging and Construction Company, in Midland for 28 cents, 6892 is the number?

Mr. MACFARLANE.—If I may be permitted to speak I would say that that number is not here, we never had that tender.

Q. That contract that you just spoke of was made in August, Mr. Dunlop? A. Yes.

Q. Well, that would not apply to what was done in the spring? A. Yes, they did apply it, they applied it to all the work which had begun in May and was done under those prices named in August.

Q. I think you are mistaken, because if you look at it you will see that there was a contract made bearing the number 6892? A. The work was begun by those people in May, 1908, and carried on and paid for without a contract being signed. This contract authorizes back to May.

Q. Well, it does not: it doesn't say anything about authorizing back to May, and here we have it on a list that the contract was given. According to Mr. Taylor's statement 28 cents was paid during that year? A. None of us seem to have seen that contract of 28 cents. I have it in the margin here charged for Owen Sound Dredging and Construction Company begun in May.

Q. How did they have anything to do with it? A. They had the contract in 1907, and in the spring of 1908, apparently the Owen Sound Dredging and Construction Company wanted to go out of business and transferred their plant to the Canadian Dredging and Construction Company who had got a charter in the year 1908, but the thing was not completed amongst themselves until June, and the Owen Sound Dredging and Construction Company sent in their bills for the first two months.

Q. And then they went on getting 29 cents? A. Yes.

Q. According to the memorandum of contract that we have they were only entitled to 28 cents? A. Well, they got 29 cents, I never heard of 28 cents.

Witness retired.

Mr. TAYLOR re-called.

*By the Chairman:*

Q. Mr. Taylor, you have prepared a statement here which you call a summary of the dredging done at Georgian bay under the headings of contractors' names and the year in which it was done? A. Yes.

Q. Does that include all the contractors in Ontario, contractors in Ontario during those years? A. For those Georgian bay points.

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Q. You have just selected more of the important points? A. Yes, I have also selected one or two that are not Georgian bay but are also important.

Q. Well, now we find for instance W. L. Horton, he did work at Goderich? A. Yes.

Q. For which in the year 1907 his price for rock was \$3 and for other material 25 cents per cubic yard? A. Yes.

Q. In 1908 and 1909 his price for rock was \$4, and for other material 35 cents per cubic yard? A. Yes.

Q. And in 1910 he dropped back to how much? A. To \$2.75 cents for rock.

Q. And to 25 cents for other material? A. Yes.

Q. Now R. Weddell & Company, they have done dredging at four placés which you name? A. Yes.

Q. At Thornbury in 1907 and 1908 they have charged 34 cents for other material than rock? A. Yes.

Q. And in 1910 they have been paid 24 cents for other material than rock? A. Yes.

Q. At Owen Sound in 1910 they charged only 14 cents for other material than rock? A. Yes.

Q. And at Lyon's Head, in 1910 they charged 22 cents for other material than rock? A. Yes, sir.

Q. Now, take A. F. Bowman, who has done quite a large amount of dredging at various places? A. Yes.

Q. In the year 1907 at Owen Sound he was paid 13½ cents per cubic yard for material other than rock? A. Yes, that is for casting over.

Q. Well, he had 20 cents for material other than rock in 1907 at Owen Sound? A. Yes.

Q. And the next year he was paid 25 cents per cubic yard for the same material? A. Yes.

Q. And at Waubaushene in 1907 he was paid 13 cents per cubic yard for the same material? A. Yes.

Q. And in 1908 he was paid 19 cents for the same material? A. Yes.

Q. While at Penetanguishene in 1907 he had 14 cents for the same material? A. Yes.

Q. The prices in 1907 he received all apparently low? A. Just quite low.

Q. At Wiarton in 1907 he had 20 cents per cubic yard and in 1908 he had 24 cents per cubic yard? A. Yes.

Q. C. S. Boone, or the Boone Manufacturing and Construction Company, are they the same now? A. Yes.

Q. Boone became the company? A. Yes.

Q. At Wingfield basin in 1907 for other material than rock he got 65 cents per cubic yard and in 1908 he got 75 cents per cubic yard? A. Yes.

Q. At Blind river in 1907 he got 16½ cents for material other than rock? A. Yes.

Q. And in 1908 he got 23 cents for the same material at the same place? A. Yes.

Q. At Spanish river in the year 1908 he had 25 cents for material other than rock? A. Yes.

Q. And in 1909 he got 12½ cents for material? A. Yes.

Q. The Owen Sound Dredging and Construction Company at Victoria harbour in 1907 got 8 cents per cubic yard and in 1908 got 12½ cents per cubic yard for material other than rock? A. Yes.

Q. Do you know who constituted the Cape Breton Dredging Company who worked at Rondeau in the year 1909? A. I have no knowledge.

Witness retired.

The Commission then adjourned.

OTTAWA, March 27, 1912

## PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
 R. S. LAKE, Esq.,  
*Commissioners.*

Examination of GORDON M. GRAHAM, superintendent of dredging in the province of Nova Scotia, aged 36 years.

*Examined by the Chairman:*

Q. When were you appointed to your present position, [Mr. Graham? A. I don't know whether it was in June of 1906 or 1907, but I think it was in June 1907.

Q. What is your profession or trade? A. I have been a purchasing agent all my life previous to going into this service, and for a few years I was in the shipping business personally.

Q. When first appointed you resided at Pictou? A. At North Sydney.

Q. And you afterwards moved to where? A. To New Glasgow, that is my home.

Q. Over how far does your jurisdiction extend Mr. Graham? A. Over all Nova Scotia.

Q. Your jurisdiction extends over all Nova Scotia? A. Yes.

Q. Even at the western end? A. Yes, the whole province of Nova Scotia.

Q. Accounts certified by you however are paid at St. John, New Brunswick? A. Yes, I think all are paid there.

Q. All the maritime province accounts are paid at St. John, New Brunswick? A. Yes.

Q. Then you correspond with Mr. Scovil at St. John as well as with the department here? A. Yes, except that Mr. Dufresne is my superior officer here. Mr. Scovil's position and mine are relatively alike over the two districts.

Q. Except in the matter of the payment of accounts which is all done at St. John? A. Yes.

Q. When you say Mr. Dufresne is your superior officer what about the general superintendents of dredging? A. Well we consult with the superintendents of dredging always but more particularly with regard to repairs, but our orders all reach us directly from Mr. Dufresne.

Q. You do not then mean to say that no orders come to you at all from the general superintendent of dredging? A. Oh, yes, if the general superintendent sent me an order to perform any work or have it done I would certainly obey it.

Q. Does he do so as a rule? A. Very rarely, he frequently visits us and gives us verbal orders.

Q. Then you are right, according to the practice, in your statement that you get your instructions from the assistant chief engineer Mr. Dufresne? A. Yes.

Q. Now with reference to the employment of tugs for dredges for instance, what do you understand to be your general instructions? A. Well when a tug boat is required I hire one. When we start dredging in the spring, for instance, we have to supply tug service for our dredges, and I engage the tugs in the province of Nova Scotia.

Q. Do you make the bargains for them? A. Yes.

Q. Do you act without express authority in engaging a tug? A. You mean from headquarters?

Q. Yes? A. Yes, sir.

Q. In other words then, if you think a tug is necessary you go and hire one? A. Yes, sir.

Q. You do not first report it and obtain authority from headquarters? A. No, sir.

Q. That has not been your custom, Mr. Graham? A. No, it is an understood thing that we will have to have tug boats, and it is sometimes a very difficult matter to get them, so we do not report them at all, but when a tug boat is required we engage it.

Q. I am just trying to ascertain what is your conception of your own general authority. Then your action in that way has always been confirmed by the department? A. Always.

Q. They never repudiate the payment of any bills that you may incur in that way? A. I don't think so.

Q. On the ground that you had no authority or anything of that sort? A. No, sir, not to my knowledge.

Q. Now with relation to the employment of the tug *Mersey* from Hatt of Liverpool, you remember the circumstances I presume, Mr. Graham? A. Yes, sir, perfectly.

Q. Well in the first place on March 30, 1911, you wrote a report on the question in which you concluded as follows: "I claim now, however as I have formerly done, that he is not entitled to payment, for reasons that the services charged for were not performed." You remember writing that report Mr. Graham? A. Yes.

Q. Then in October last you came to Ottawa on an express summons, did you not? A. Yes, sir.

Q. And you signed a paper which was a report from the assistant chief engineer to the deputy minister? A. Yes, sir.

Q. Concluding with these words: "Mr. Graham is now of the opinion that his actions in connection with this matter imply an obligation on the department to fulfil the conditions of the verbal agreement to hire the tug *Mersey* for the sum of \$40 per day," do you remember signing that, Mr. Graham? A. Yes, sir.

Q. Well, that is one of the subjects I want to get you to explain to-day. What was the cause of your change of opinion? A. We were looking—

Q. What was the cause of your change of opinion, Mr. Graham? You said in one of those documents that you claim that he is not entitled to payment and in the other document you state that there is an obligation of the department to fulfil the conditions of a verbal agreement to hire the tug *Mersey* for the sum of \$40 per day? A. In the first place my statement that he had no claim was on the ground that he had not performed the work, that the tug boat, we had not used the tug boat, and I have said in the first place that we had no stated contract and that there was no obligation except a moral obligation with him, and I thought we should not pay him.

Q. Why? A. Because we did not use his boat.

Q. But if you had engaged his boat and if there was a moral obligation you would not try to escape it on the ground that you did not use his boat, would you? A. No, sir, I would not, but I felt it was only a moral obligation, and instead of paying for the services of the boat for the whole period that perhaps a compromise might be made.

Q. When you say there was only a moral obligation, is not that binding on a man who can pay? A. I don't think it would bind for the whole period, that was what I was aiming at when I made the statement.

Q. Why did you not say so in your report? A. I do not really remember now the total contents of that report, but that was the point I made I know.

Q. Now we will get back to the fact on which you base that opinion, in the first place how much was he to receive per day? A. \$40.

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Q. During the whole of this period for which he was afterwards paid she was idle I understand? A. Yes, sir.

Q. Lying presumably at the wharf tied up? A. Yes, at Liverpool.

Q. Consequently she would not be using her coal? A. I claimed she would not be using her coal.

Q. Or her other supplies? A. Exactly, or crew.

Q. Would she have all the same crew? A. Well, I believe that Hatt stated that she had all the crew on board and was under steam.

Q. Well, but did you cause any examination to be made into the question as to whether he did in fact have all the crew on board? A. No, sir.

Q. No evidence on that point was taken? A. No, sir.

Q. Do you believe the statement that during every day of that period she was under steam? A. Well, the only thing that I know in connection with it is that Mr. Hatt told me in Mr. Dufresne's presence, he made the statement that that boat was under steam continually.

Q. You took no evidence to see whether it was or not further than that? A. No, not further than that.

Q. Now, Mr. Graham, under the circumstances of the case do you believe that that boat was under steam every day during that period, that is during part of July, the whole of August, the whole of September and part of October, that she was under steam every day? A. No, sir, I do not, I do not think she was.

Q. It does not stand to common sense does it that she would be under steam all that time? A. Well, some days of course she would not be and you would have to have during some part of the week or month a low down day.

Q. And in addition to all that getting her under steam to respond to an order from you, if she was not under steam possibly would only occupy a few hours wouldn't it? A. Yes, I should think so for a boat her size.

Q. If she got word in the morning for instance, that you wanted her, supposing she had no steam on, late in the afternoon she would be, would she not? A. Yes, sir.

Q. So there was no need of keeping her under steam daily all the time in order to respond to an order from you? A. No, sir, except while the dredge was working there. During part of the time the dredge was working there in the harbour.

Q. But she was not serving the dredge in the harbours? A. No, but she might be liable to be called on.

Q. You had hired her to move her to Bras d'Or? A. Yes.

Q. How far away is that from Liverpool? A. I should think about 300 miles.

Q. A couple days sailing for her? A. Perhaps more for her, she is a small boat.

Q. Well, assuming that she had good weather she would not take more than three or four days to get down? A. Yes.

Q. So it was not likely that if you should call for her that a matter of a few hours need make much difference? A. No.

Q. And consequently there would be no need of keeping her under steam all the time? A. No, I don't think so.

Q. Well then in the next place her consumption of coal from keeping up her steam at the wharf would be pretty much less than her consumption of coal if she was working? A. Yes.

Q. Very much less? A. It would have to be, of course different boats would have different ratios in that respect, but it is a very safe thing to assume that her consumption of coal would be less.

Q. Is it not absolutely correct, that anybody in the world would be safe in saying that there would be less coal consumed keeping up steam in the wharf when she is not using her steam? A. Yes, but I don't know what the ratio would be.

Q. Lying at the wharf her own wear and tear would be little or nothing to what it would be if she were busy at work? A. Yes, that is right.

Q. However you say that these matters were not inquired into except by the verbal statement of Mr. Hatt himself here? A. Yes, I would not say, I did not perhaps discuss the matter through the season with other dredge men—

Q. Never mind any discussion you may have had with any of your dredge men, I was asking about making any inquiry and taking any evidence on the point. Now, you were asked in October to sign this paper in October last. When you were asked to sign that paper did you point out that a compromise should be made? A. I do not think I mentioned a compromise, I discussed the whole matter with Mr. Dufresne.

Q. Did you discuss the whole matter with Mr. Dufresne without saying a word about a compromise or suggesting that the full payment ought not to be made? A. No, sir, I think I made the statement that he should either be paid nothing or paid the full bill.

Q. Well, if you made the statement that she should be paid nothing or paid the whole bill, what becomes of your statement that you made a few moments ago about a compromise? A. That was my own opinion, and Mr. Dufresne of course said that was a foolish statement to make, and I realized that perhaps it was.

Q. Mr. Dufresne said it was a foolish statement to make—which statement did he say was foolish? A. That the whole bill should be paid or nothing. I said to Mr. Dufresne that either the whole bill should be paid or nothing should be paid.

Q. But you say that your idea from the first was that there was a moral obligation to do something and you thought that a compromise ought to be made? A. Yes.

Q. Now then, if that be so, how can you reconcile it with your statement now that you said to Mr. Dufresne that all should be paid or nothing? A. Well, only in this way: I discussed the matter with a great many people and the controversy started and a great many with whom I discussed it told me that we were responsible for the whole hire.

Q. Now you are talking about legal responsibility and I am not discussing that at all, you told me that you were of opinion that there should be a compromise and I asked you if you had said that to Mr. Dufresne or to any one else? A. No, sir.

Q. Did you suggest it to Mr. Dufresne when you were talking to him? A. I don't think so.

Q. Then you did say to Mr. Dufresne that in your opinion that whole bill should be paid or nothing should be paid? A. Yes, sir.

Q. And he told you that was a foolish statement to make? A. I do not know that he used those words that it was a foolish statement but he said something to that effect.

Q. He either said it was a foolish statement or words to that effect? A. Yes.

Q. Did he say it should or should not be paid? Which view did he advance in talking to you? A. I do not think he expressed any definite opinion.

Q. Well now we will get down to the position itself. What were you doing in Liverpool, Nova Scotia, in the month of July, 1910? A. We had a dredge working there at the time and I was there on inspection.

Q. What dredge did you have working there at that time? A. The dredge *Canada*.

Q. Was the tug *Mersey* attending on her at the time? A. Yes, sir.

Q. Daily? A. Yes, sir.

Q. How much was she receiving per day for attending on the dredge *Canada* there at Liverpool? A. I think she was receiving at that time \$30 per day.

Q. \$30 per day for attending on the *Canada* at Liverpool? A. Yes, I think so.

Q. Well, was she the only tug attending on the *Canada*? A. At that time, yes, sir.

Q. Now the *Cape Breton* was working at Little Bras d'Or? A. Yes, sir.

Q. She had a tug attending her, I suppose? A. Yes, sir.

Q. And you wanted another tug? A. Yes, we needed a light draught tug.

Q. Was the *Mersey* a light draught tug? A. Yes, sir.



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Q. Why didn't you use her? A. She was at that time with the *Canada*.

Q. But when you arranged for her was it to use her? A. She was working with the *Canada* and we hired another boat for the *Canada* intending to use the *Mersey* for the *Cape Breton*.

Q. I know you did, and I am asking you now why you didn't use her with the *Cape Breton*? A. I discovered that her draught still was too heavy, and we got a very much lighter draught boat.

Q. Why didn't you at once cancel any arrangement that you had made with Mr. Hatt when you discovered that her draught was too heavy and that you had to get another boat? A. The arrangement was I wired Mr. Hatt after I got to North Sydney, that I didn't think the boat would suit.

Q. Now, in your letter you say: "Being in Liverpool on an inspection trip on July 1, I talked with Captain F. W. Hatt as to the possibility of securing even there a boat suitable for the work referred to. Mr. Hatt impressed me with the idea that a boat could be had which could satisfactorily perform the work which we required of her at Little Bras d'Or"? A. Yes.

Q. Now, then Mr. Hatt says: "Mr. Graham asked me if I would send my boat to Little Bras d'Or. I told him I would rather not as her insurance would only allow her to go twenty-five miles distance. Mr. Graham told me if I would allow to let the *Mersey* go I would lose nothing by it. I told him if I could get another boat to replace the *Mersey* I would let her go." Now, Mr. Graham, which story is true? A. I didn't quite catch that.

Q. Well, you wrote here that you merely asked Mr. Hatt a general question as to the possibility of securing a boat suitable for the work referred to in Little Bras d'Or? A. Yes.

Q. And Mr. Hatt says that you asked him definitely if he would let the *Mersey* go? A. Yes.

Q. Now, which statement is true? A. I think both statements are true, so far as the statements are concerned, except the *Mersey*, I don't know that that is the statement—

Q. Well, what did you ask him? A. I asked him if he could get us a boat with a very light draught and fairly good power to work at Little Bras d'Or in a heavy season.

Q. And what did he say? A. From memory, I can't say.

Q. Well, it must be from memory, of course, because it is all memory? A. He told me, I am pretty sure, that he could secure a boat that would suit us.

Q. Did you tell him to do so? A. My understanding was that he was to endeavour to find a boat for us. I don't know that he was immediately to go to work and engage another boat, but I understand he did.

Q. Was he to find a boat for you to go to Little Bras d'Or or was the *Mersey* to go there? A. He was to find a boat to take the place of the *Mersey* and to let the *Mersey* go.

Q. Did you leave him in this way, that he was to endeavour to find a boat to take the place of the *Mersey*, and if he could find one the *Mersey* was to go to Little Bras d'Or? A. Yes.

Q. Was that clearly and definitely understood? A. In a general way it was understood, sir, I did not consider it definitely settled at the time.

Q. You did not consider it definitely settled at the time? A. No, sir.

Q. Was anyone present when you were talking about the matter? A. The captain of the dredge may have been present at the moment, but I am not sure. We met him going up from the dredge to his office, and whether he stayed with us when we were talking I don't remember.

Q. But you understood that there was a definite arrangement that if another boat could be got to take the place of the *Mersey* the *Mersey* was to go, or that you

would let him know after he found out whether he could get another boat? A. That was what I understood.

Q. To the best of your knowledge and belief did you convey that impression to him? A. Not intentionally, I meant to say in a general way that I was trying to find a boat, and I was surprised to know that he could get a boat satisfactory for the work at Little Bras d'Or, and we discussed the matter pro and con as to the relative values of the different boats. Apparently he got the impression from me, of course I asked him if I could get a boat for the *Canada* in place of the *Mersey*, would he let the *Mersey* go, and he apparently had the impression immediately that she was engaged.

Q. Now never mind his impression, but let us have your knowledge of it. When you left Liverpool what was your understanding about the situation? A. That if he could get a boat to take the place of the *Mersey* with the *Canada* we would take the *Mersey* to Little Bras d'Or.

Q. That you could take her? A. Yes, that we would take her.

Q. Your impression was that if he could get a boat to take the place of the *Mersey* with the dredge *Canada*, you would take the *Mersey* to Little Bras d'Or? A. Yes.

Q. Now he says in speaking of what he did to get another boat, he says: "I then telephoned to Mr. Neville at Halifax, and Mr. Houman's at Port Macoun, and finding neither party at home, telephoned to Mr. Tusket and could do nothing. I then telephoned Mr. Albert J. Luds at Digby, and he said I could get his boat and he only wanted one day to get her ready to leave. I then saw Mr. Graham and told him I could get the *George L* from Mr. Luds, and we then made a bargain for the *Mersey* at \$40 a day, beginning with the *George L*, then at Digby, which was July 23, 1910. Mr. Graham told me to get the *George L* as quickly as possible and get the *Mersey* ready to leave and wire him when sailing"? A. Yes.

Q. Then this was not at the time you had the first interview with him that you made the bargain for \$40 per day? A. I was there during the day and talked with him several times during the whole of this day.

Q. It was on the same day? A. Yes.

Q. But at a different time on the same day? A. Yes.

Q. Well now he says here definitely: "We then made a bargain for the *Mersey* at \$40 a day beginning with the *George L*, then at Digby, which was July 23, 1907"? A. Yes.

Q. What do you understand by that—what did take place? A. Well just exactly as it says there. I told him if he could get a light draught boat for Little Bras d'Or we would take the other boat.

Q. He says, "I then saw Mr. Graham and told him I could get the *George L*."

Q. When he told you that did you make a bargain for the *Mersey*? A. I don't think so.

Q. Now what do you mean by that? A. The reason I say that is because the conversation that took place during the whole of a day, and it was not definitely settled.

Q. What was not definitely settled when you left Liverpool? A. The whole scheme.

Q. You say the whole scheme was not definitely settled when you left Liverpool? A. No, sir.

Q. What was the part that was left unsettled? A. The part in connection with the *George L*.

Q. What was that? A. Whether she was a suitable boat or not.

Q. He says, "I then saw Mr. Graham and told him I could get the *George L* from Mr. Luds, and we then made a bargain for the *Mersey*"—so there was no further question about that? A. I think he wired me that afterwards.

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Q. He says he told you that day again, but you think he afterwards wired you about that *George L.*? A. I think so.

Q. Then you knew at some time or other that the *George L.* could be obtained to tend on the *Canada*? A. Yes.

Q. And that would leave the *Mersey* free? A. Yes.

Q. And you had agreed with Mr. Hatt to give him \$40 per day for the *Mersey* if he could get another boat? A. Yes.

Q. Was not that a clear bargain? A. Yes.

Q. Well then, what still remained to be settled, Mr. Graham? A. As I got there I discovered that the *Mersey* would not suit us, and I do not know whether I telegraphed or wrote to Mr. Hatt, but I think I telegraphed.

Q. In your letter of March 30, you say: 'After leaving Liverpool and returning to North Sydney, I at once went to Little Bras d'Or in connection with the same matter, and in discussing the situation with local people, and procuring some information, I concluded that the boat in view could not satisfactorily work there and telegraphed Mr. Hatt accordingly.' A. Yes.

Q. Mr. Hatt on the other side says: 'Mr. Graham told me to get the *George L.* as quickly as possible and get the *Mersey* ready to leave, and wire him when sailing.' In that he is referring to the day when you made the bargain with him for \$40 per day? A. Yes.

Q. Did you tell him to get the *George L.* as quickly as possible? A. I think probably I did, because if we were to use her at all we would have to have her quickly.

Q. But if you had to wait to get to Bras d'Or to find out if the *Mersey* would suit how could you tell him to get the *George L.* as quickly as possible? A. I was making the arrangement at Liverpool and it was after I got back that I found the *Mersey* would not suit.

Q. Had you made arrangement to take the *Mersey* in any case, or was the arrangement that you were to find out at Little Bras d'Or whether she would suit or not? A. I think we made the arrangement at Liverpool but not to close it.

Q. Well what do you mean by that? A. I wanted to get a boat, and she was the most suitable boat I could see, and I was not even too clear then that she could work at Little Bras d'Or.

Q. But what did you tell Mr. Hatt? He would not order the *George L.* to go to work with the *Canada* unless he had a definite arrangement with regard to the *Mersey* that she was to go somewhere else? Now was there a definite arrangement that the *Mersey* was to go to Bras d'Or or was he to wait until you got to Bras d'Or and send him word? A. I think the arrangement was to get the *George L.* if he could to Liverpool.

Q. Then we will get down to the point: you did make a definite arrangement with him for the *Mersey* at that time? A. Yes, sir.

Q. And it was a change of mind on your part after you got back to Little Bras d'Or? A. Yes.

Q. Now he says: 'On Monday morning, July 25, at 2 a.m. the *George L.* arrived and started work at 6 a.m. the same day. On July 25 I wired Mr. Graham, saying, "*Mersey* sails for Little Bras d'Or to-morrow. Tug *George L.* taking her place here." On the same day at 8.20 I received a message from Mr. Graham saying, "Await my letter before doing anything re tug."' A. Yes.

Q. That wire was probably sent by you from Little Bras d'Or? A. Yes, or from North Sydney.

Q. That is what you meant when you say that you concluded that the *Mersey* could not satisfactorily work and you telegraphed Mr. Hatt? A. Yes.

Q. You see that all you told him was to wait your letter before doing anything re tug? A. Yes.

Q. Mr. Hatt goes on to say: 'On July 26 at 9.50 a.m. I received the following telegram, saying, 'Do not allow *Mersey* proceed until receive my letter, very much afraid she cannot work Little Bras d'Or, wire me on receipt of letter''? A. Yes.

Q. Now you knew at that time that the *Mersey* was lying at your orders, did you not? A. Yes.

Q. And you knew that the *George L.* had taken her place at Liverpool in attending on the *Canada*? A. Yes.

Q. And consequently you knew then that the *Mersey* was at the expense of the department, you understood that? A. Yes.

Q. Well then, Mr. Hatt goes on to say: 'On July 29 not having received any letter, I asked Hon. A. K. Maclean, he being here, to wire Mr. Graham. He did so, and received the following reply: "To relieve a difficult situation at Bras d'Or proposed use additional tugs. Hatt's only one in view, but pending soundings very much afraid even *Mersey* cannot be utilized. Expect to get this during day and as already advised will immediately instruct Hatt. Spent yesterday there in connection with matter." Having no work from Mr. Graham of any kind, on August 1, I wrote him as follows: "I have been waiting for word from you for some time but have not yet received any. I wish you would arrange this matter as soon as possible." Then he goes on at some length in that letter and then further on he says: 'On August 4 not hearing from Mr. Graham I took the train and went to Sydney, arriving at North Sydney Friday morning, August 5, at 9 a.m. I saw Mr. Graham and he told me I would be paid for my boat, and as he could not put her in at Little Bras d'Or he would put her to work at the very first opening.'? A. Yes.

Q. Is that true, Mr. Graham? A. Yes, sir.

Q. Then you knew during the whole of that time, you knew then that the *Mersey* was lying at Liverpool subject to your orders? A. Yes.

Q. And consequently was at the expense of the department? A. Yes.

Q. What was the cause of the delay? A. In getting the soundings at Little Bras d'Or.

Q. You knew before August 5 that you could not put her at Little Bras d'Or, because you told him on August 5 in the morning that you couldn't use her there? A. Yes, sir, he went to Little Bras d'Or with me from North Sydney. I took him there to show him the conditions there.

Q. And then again he said, 'If nothing turned up before the *Canada* went from Port Matoun to Shag harbour he would put her there.' He says you said that? Did you tell him that? A. I think likely, but I cannot remember all those things, just exactly what I said.

Q. But you knew that the *George L.* was working attending on the *Canada*? A. Yes.

Q. Under charter with Mr. Hatt? A. Yes.

Q. And that the *Mersey* was lying idle waiting for orders? A. Yes, sir.

Q. Why did you not terminate the contract at once and tell him you had no further use for her? A. I should have terminated it right there and then, but I didn't do it, I didn't know he had a whole season's contract.

Q. But you knew surely that he had an agreement with you for \$40 per day which was going on until you stopped it? A. That is what he told me.

Q. And you couldn't expect this boat to be tied up there and not paid for? A. We did lose considerable time after hiring her but it is so difficult to find a boat in Nova Scotia suitable to cross the bar that I left it longer than I should.

Q. He says further: "On August 25, having had no word from Mr. Graham I wrote him for certain instructions but received no reply." Why did you not answer that? A. I don't know why that was not answered.

Q. Then he goes on: "On September 6 not hearing from Mr. Graham I wrote him for certain instructions and also if he intended for the *Mersey* to go to Shag

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harbour with the *Canada* and received no reply." Then he goes on as follows: "On September 27 I wired Mr. Graham as follows: 'Dredge *Canada* completes work at Port Matoun this week. Do you want *Mersey* to go west with *Canada*? Kindly reply.' Having no reply on October 3 I wired Mr. Graham as follows: 'Understand *Ralph* going west with *Canada*. What are you going to do about *Mersey*? If no reply to-night will report to department. Having received no towing checks since June.' On October 3 I received the following telegram from Mr. Graham from Yarmouth: 'Will wire you instructions tomorrow re *Mersey*. Have wired my office forwarding the outstanding accounts immediately. Explain to you shortly.' He received no instructions and he wrote to you and wired to you throughout October on several occasions and you made no answer? A. I think we answered from Yarmouth.

Q. On October 3, he says: 'We have received the following telegram from Mr. Graham from Yarmouth—'Will wire you instructions to-morrow re *Mersey*. Have wired my office forwarding the outstanding accounts immediately. Explain to you shortly.' Now, there you say you will wire him instructions to-morrow, and you did not wire him any instructions. That thing has gone on from July down to October, and I want to know what explanation you can give for not having terminated the arrangement with him? A. I have no explanation to give, Mr. Morine, except that I kept away from it rather than get into a hole over it, I thought I was steering away from it.

Q. You knew that the man was holding his boat to your orders? A. He used her once or so I think in the meantime.

Q. He was telegraphing you frequently and writing you and you were paying no attention to his telegrams or letters except occasionally, so you knew all the time what the position was? A. Yes, sir.

Q. And you knew you had the boat there didn't you? A. Yes, I knew the boat was there.

Q. Now, during this time did you write to the department here telling them the position and asking for instructions?

WITNESS: With regard to this boat?

Mr. MORINE: Yes.

WITNESS: No, sir.

Q. Did you inform them at any time during the summer of what you had done in the matter? A. I think not, I am not certain about that.

Q. Was Mr. Howden, the general superintendent, there during the year 1910? A. Yes, sir.

Q. Did you explain the circumstances to him? A. Yes, sir.

Q. What did he say about them? A. He said he thought the best thing to do was for the department to pay the bill.

Q. He said that in 1910—I know he was down there in 1911? A. The year this hire was on, he was there, and I discussed the matter with him.

Q. Late in the year or early? A. I think it must have been in the fall.

Q. That is after the whole thing was over? A. Well, near that, it would be in the fall, I couldn't say exactly, but I know it was late in the summer.

Q. Acting on his instructions, what did you do? A. I don't think we did anything at the time.

Q. It still went on? A. Excepting that I discussed the matter with him in a general way as if I were discussing it with any other official.

Q. Now, you said in your letter of March 30, 1911: 'He (that is Hatt) rendered bills however each month for services performed and on the first occasion this was done I returned the account in the usual way to the captain for his certificate. He advised me that no services were performed by the boat and I consequently refrained from passing his accounts for payment. The same accounts for subsequent months were rendered in the same manner and certification of work performed was refused.'

So it was quite clear from that, Mr. Graham, that you knew every month that Hatt was claiming his pay for that boat? A. Yes, sir.

Q. And you knew that she was not being used, didn't you? A. Yes, sir, except on one occasion.

Q. Well, if you knew she was not being used, why go through the farce of sending it to the captain for his certificate? A. That was the first month.

Q. You said each month—'I returned the account in the usual way to the captain for his certificate?' A. Well, in one month, I cannot remember which month it was, he had done some service with the boat.

Q. You say the captain advised you that no services had been performed, but you knew that already? A. I knew it then.

Q. You had employed this boat in order to have her go to Bras d'Or? A. Yes.

Q. And you knew she had not gone there? A. Yes, sir.

Q. Now, I am giving you an opportunity for your own sake to explain if you can, why you kept that boat engaged the whole summer at \$40 per day and never terminated the contract or did nothing to get clear of it? A. There is only one explanation for it.

Q. What is that? A. I make it frankly, I neglected to terminate the contract.

Q. I cannot accept that, because you were not allowed to neglect it? A. I neglected it for the reason that I felt that a mistake had been made in the matter and I avoided doing anything in connection with it which of course was wrong.

Q. Although you had made arrangements to employ her, you had not arranged to employ her for any definite time? A. No.

Q. Consequently you could at any date have notified Hatt that you did not want her, couldn't you? A. Yes.

Q. Then why didn't you do that? A. Well, I can't at the moment explain that.

Q. He would simply send the *George L.* back and put the *Mersey* at work on the *Canada*? A. That is the difficulty, she was under charter.

Q. I cannot accept your statement that you neglected to do it in the real sense of the word, but because you were not allowed to neglect it; Mr. Hatt was wiring you and sending in bills to you, so it was not a case of neglect or forgetfulness, it was a plain straight case of not doing it, wasn't it? A. Yes, sir.

Q. If you had any doubt in your mind as to your position why did you not write to the head of your department in Ottawa for instructions? A. I should have done so but avoided it. I did not do it. We rarely have any communication with the head of our department with reference to tow boats at any time.

*By Mr. Ducharme:*

Q. Was it a determination on your part to leave it there all summer? A. No, sir.

Q. It was not for a determination to leave it there all summer that neglect? A. No, sir.

Q. Were you in any relation with the captain of the tow boat? A. No, sir.

Q. You were not in any relation with him at all? A. No, sir, I don't know him very well either, friendly or otherwise.

Q. Well, were you at that moment under the impression that you were to pay that man for his tug? A. Yes, sir.

Q. Well then it was a deliberate intention to keep that tug at the wharf and give him \$40 per day on your part? A. I don't understand you.

Q. I say it was a deliberate intention on your part to leave the tug there at \$40 a day, doing nothing? A. Well—

*By the Chairman:*

Q. I think you don't understand, Mr. Graham. Mr. Ducharme is asking was it your deliberate intention to keep the vessel there doing nothing? A. No, sir.

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*By Mr. Ducharme:*

- Q. Well, why not report it? A. I should have, but did not do it.
- Q. I can understand a man forgetting his duty for a day, but not for three months. There seems to be something else that you did not tell us? A. No, I do not think there is anything that I have not told you.
- Q. You say she was working for a day or so during the summer? A. Yes, sir.
- Q. Was she paid for that? A. Yes, for the time that she worked.
- Q. Who paid it? A. The department.
- Q. On your recommendation? A. Yes, it was a separate account, because she was used for removing some dredges.
- Q. Did Mr. Hatt send you a separate bill for that? A. Yes.
- Q. Did you tell that to the department? No, sir.
- Q. That was a strong point in your favour? A. It was rendered for work performed for another dredge.
- Q. Not for the same dredge? A. For the *Canada*, yes.

*By the Chairman:*

- Q. But Mr. Ducharme means that you were giving her \$40 a day for the whole season on this contract? A. Yes.
- Q. And during a part of that time you were paying her for other work? A. Yes, sir, for the work she performed.
- Q. Why not take that out of the \$40 a day that you were paying her for the whole season? A. Well, I suppose that should have been taken out.
- Q. Do you know how much it was? A. I think it was two, or three or four days' service.
- Q. Not more than two or three or four days' service? A. No, not more than that.
- Q. Did you tell the department here at Ottawa, did you remind them that she had been paid for part of her time? A. I don't think I did, I am not sure.
- Q. Did you get another boat to do the work she was intended to do? A. Yes, sir.
- Q. How much did you pay her? A. \$30 a day.
- Q. You got another boat to do that same work and only paid her \$30 a day? A. Yes.
- Q. Now we were talking a minute ago about steam. How long would it take to get up steam on a boat? A. On a boat of that kind I think about four or five hours.
- Q. Are you positive of that? A. No, sir.
- Q. I should think it would take less than that to get up steam to a pressure of fifty pounds? A. Perhaps.
- Q. Did Mr. Hatt at the time ask you for work? A. No, sir.
- Q. The only thing he did was to send you his bill every month? A. Yes, sir.
- Q. But he never offered his services? A. No, sir.
- Q. Whenever he saw you did he say: 'Here is my tug waiting for you'? A. I only saw him once.
- Q. He never protested to you? A. By letter he did.

*By Mr. Lake:*

- Q. How many tugs has Mr. Hatt? A. Only one that I know of.
- Q. Did you employ this tug again the following year? A. The *Mersey*?
- Q. Yes? A. Yes, sir.
- Q. At what rate did you employ her? A. I think she was engaged at \$30 a day.
- Q. For the season of 1911? A. Yes, sir.
- Q. Did Mr. Hatt make any suggestion to you with promising this bill of 1910, in connection with the hiring of the tug during the season of 1911? A. No, sir.
- Q. None whatever? A. No, sir.

*By the Chairman:*

Q. Why did you pay \$40 for her in 1910 and only \$30 in 1911? A. To go and work on Little Bras d'Or he would have to put the insurance up higher.

Q. But not \$10 a day more? A. No.

Q. What was her value? A. The value of the tug?

Q. Yes, what is she worth? A. I think she was offered for \$7,500.

Q. Can you tell me what the rate of insurance at Little Bras d'Or would be?  
A. No, I don't know.

*By Mr. Lake:*

Q. How much was she getting working for the *Canada* at the time you hired her to send her to Little Bras d'Or? A. \$30 per day.

*By the Chairman:*

Q. And the \$10 more was really going to cover insurance? A. Yes, and the exchange of the two boats. You see when she went he would have to engage another boat.

Q. Well, but you were paying for the other boat? A. Yes, but the understanding was: he said that if he let the *Mersey* go it would cost him so much more to hire the tug *George L.* that he would lose money.

Q. How much did you pay to Hatt for the *George L.*? A. From memory I think it was \$30 per day.

Q. She was a smaller boat than the *Mersey*? A. Slightly smaller.

Q. Do you know how much Hatt paid for the *George L.*? A. I only know from the statement he handed Mr. Dufresne.

Q. How much did he say there? A. I don't know from memory. I saw the statement in Mr. Dufresne's office.

Q. Well, how much did he pay? A. I don't remember now, Mr. Chairman.

Q. In his statement he doesn't say. You don't know what he paid for the hire of the *George L.*? A. No, sir, I do not know.

Q. He may have been making not only his \$40 per day on the *Mersey*, but also a rake-off on the *George L.*? A. He may have, I don't know.

Q. That was not inquired into when the account was paid in October? A. The *George L.*?

Q. Yes. A. I think Mr. Dufresne made inquiries in connection with the *George L.*

Q. But Mr. Dufresne here couldn't make inquiries into what Hatt had paid for the *George L.*? A. No, sir, there was no inquiry into that so far as I was concerned.

Q. There was no inquiry into that so far as you were concerned? A. No, sir.

Q. So he might have been making a profit on both? A. Yes, sir.

*By Mr. Lake:*

Q. How many tugs were employed in connection with the *Canada*? A. One.

Q. The price paid to the tugs you hire is entirely in your discretion? A. Not always, for instance, well, in fact it is in my discretion; we sometimes have boats at \$35 a day and they ask for an increase; but if I have an arrangement at \$35 I refer to the department to make any new arrangements, I leave it to the department to say whether the boat should get any increase or not.

Q. Have you any instructions from the department as to the limit you are allowed to pay for tugs? A. Well, no definite instructions.

*By the Chairman:*

Q. Have you any written instructions of a general nature as to your powers in making contracts and so forth? A. No, sir.



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Q. All the instructions you get from time to time are the letters you receive from time to time? A. Yes.

Q. On different matters? A. Yes.

Q. But from the day you went in down to the present day you have no general definition of what your authority is, or anything of that sort? A. I think perhaps when I was appointed I had a general definition of my authority.

Q. Can't you recollect?

*By Mr. Lake:*

Q. Was it in writing, or not? A. Yes, it was.

*By the Chairman:*

Q. You had some general instructions? A. My general instructions were when I was appointed, I was sent to the St. John office to stay there a month or so in the office work and gather up the information that I have.

Q. But acting on your instructions, practically what it amounts to is this, you get everything that is required for the dredges in Nova Scotia? A. Yes, sir.

Q. And you make bargains for them yourself? A. Yes, sir.

Q. And certify the bills? A. Yes, sir.

Q. And practically then you have undisputed and uncontrolled authority so far as Nova Scotia is concerned? A. Unless any specific cases I am instructed about certain points.

Q. Sometimes you get specific instructions with regard to certain cases? A. Yes.

Q. But generally speaking you do as you like with regard to the operation of tugs down there? A. Yes.

*By Mr. Lake:*

Q. Now, what is the range of prices you were paying for tugs in Nova Scotia this last season? A. Well, for tugs on towing work as high as \$100 a day for outside sea towing.

Q. For tenders on dredges? A. Oh, for tenders on dredges from \$30 to \$40 per day.

Q. There is nothing higher than \$40 a day? A. No, not for a tender on dredges.

Q. Is it part of your duty to send returns to the office of the work done in Nova Scotia? A. Yes.

Q. Did you send returns of the different dredges for the work done there in 1910 and 1911? A. Yes, sir.

Q. You did send returns of the dredges employed there during that year? A. Yes, sir, the returns come here every week.

Q. As to the place where the dredges are at work and the class of material they are working on? A. Yes, sir.

Q. And you did not send a general summary at the end of the season of the work which had been done by those dredges? A. Yes, we make up a general summary.

Q. Did you send that general summary in the year 1910 and 1911? A. Yes, sir.

Q. I ask this question because I notice in the report of the department for that year no returns are given whatever for the *Canada*, the *Cape Breton* and the *Northumberland*?

*By the Chairman:*

Q. How many dredges have you under your jurisdiction? A. Four.

Q. What is the other one? A. Those three and the *George Mackenzie*.

Q. You do not understand why the returns for those dredges are not published? A. No, I do not.

Q. With regard to the *Northumberland*, she wintered at Pictou a year or two ago, didn't she? A. Yes.

Q. I find a charge by J. J. Yorston as follows: 'Winter berth on slip as per agreement, \$2,600'? A. Yes.

Q. Who made that agreement? A. I did and Mr. Howden.

Q. You and Mr. Howden made the agreement with Yorston? A. Yes.

Q. Well it strikes me as a very large one; on what basis was it agreed upon?  
A. On the basis of her tonnage.

Q. On the basis of her tonnage? A. Yes.

Q. When would she go on the slip? A. About the middle of November.

Q. Remaining till when? A. Till about the first of May.

Q. What was being done on her at that time? A. Having general repairs on her bottom, scraped and painted and general repairs to hull and machinery. She was resheeted also that year.

Q. Was the winter berth arrangement by the sum—how is the rate arranged? A. It is arranged by so much per ton per dead weight ton.

Q. For how long a time? A. For whatever time you agree to have her on, from the close of navigation.

Q. Is there a regular schedule for putting the boats on a slip? A. Yes.

Q. Is there a regular schedule at so much a ton which allows a vessel to remain on so many days, and if she stops there longer it is so much per day longer? A. Yes, that schedule is only for a short time.

Q. It is only for a short time? A. Yes.

Q. Then this would be a matter of special agreement you say? A. Yes, we got frozen in. We had to stay until the beginning of navigation.

Q. Had you got frozen in? A. Yes, we are always frozen in at Pictou.

Q. You lay the vessel up and you have to leave her until the ice goes out in the spring? A. Yes.

Q. This slip would not be in use unless for that purpose? A. Unless it was for other vessels.

Q. Do you know that they had other vessels this year? A. No, we were too anxious to get the dredge on to care about anything else. She was in very bad condition.

Q. Did you try anywhere else to see what charges might be made? A. No, sir.

Q. Did you compare the prices with any other place? A. No, sir, except Halifax, and they refused to quote.

Q. Couldn't you have tried North Sydney? A. Yes, but she is too large a boat to take down there. Pictou and Halifax are the only two places in the province that could take her.

Q. It strikes me as an extraordinary price to pay. Those same people were doing the repairs? A. They did some woodwork repairs.

Q. For instance, I find they charged another \$2,600 for repairs? A. Yes.

Q. Which were chiefly on woodwork you say? A. Yes, sir.

Q. A great portion of that other \$2,600 for repairs, in fact \$2,156 were for work?  
A. Yes.

Q. At 25 cents an hour? A. Yes.

Q. Who checks the time? A. The captain of the dredge checks the time.

Q. The captain of the dredge? A. Yes.

Q. That would be so many at work for so many days and so many hours each day at 25 cents per hour? A. Yes.

Q. Is Hugh Lyons the captain of the dredge? A. Yes, sir.

Q. Where is Captain Lyons? A. Do you mean at present?

Q. Yes? A. He is at Pictou.

Q. Then there are charges for so many feet of birch plank and so many feet of pine and so many feet of different kinds of things? A. Yes.

Q. Who would measure these and take account of them? A. The captain.

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Q. Do you think the captain did keep account of them? A. I think so; we were very very careful that year because we had a great deal of work to do and kept an extra crowd of men there doing it.

Q. Well then I find a lot of accounts for the *Northumberland* from other sources, for instance, Pictou Foundry & Machine Company? A. Yes.

Q. They put in a bill of \$1,644? A. Yes, sir.

Q. Certified by Hugh H. Lyons and G. M. Graham? A. Yes, sir.

Q. So far as your certificates were concerned you did not know how many hours were worked by boilermakers, &c.? A. No, sir, the chief engineer would be the man for that.

Q. Well why didn't the chief engineer certify to it? A. We have the captain's certificate to all bills.

Q. But the captain wouldn't know? A. Yes, I think so.

Q. How would he know the time of the boiler makers and helpers, &c.? A. Oh, this is shop work.

Q. In the Pictou Foundry & Machine Company? A. Yes.

Q. Well how would the captain know? A. Only by being around the shop, or the chief engineer would know by being there supervising the work.

Q. Do you think either one of these men could tell whether that bill was an accurate bill or not? A. Yes, I am quite sure the chief engineer could.

Q. How could he tell? A. His knowledge of machinery and knowledge of machine work that would be required for doing it.

Q. Do you mean to say that the knowledge of machinery and machine work being done which kept men 979 machinists work and 995 boilermakers work, that you could tell from any such general knowledge? A. Well from the boilermakers work, because that was nearly all right under our noses.

Q. It was going on from day to day? A. Yes.

Q. A considerable number of men would be there? A. Yes.

Q. And it would be necessary to get the names of the men? A. Yes.

Q. To keep the time of their arrival and departure and the hours they were there? A. Yes.

Q. Would that be done by the captain? A. Yes, I don't say in connection with the machine work.

Q. I am talking about the machine work and the boilermakers? A. I say that with regard to the boilermakers work he could.

Q. Do you say that he did? A. I cannot say he did, he says he did, and he is supposed to have done it.

Q. Do you mean to say the machinists, that he would keep this for instance? A. No, the chief engineer.

Q. Do you think the chief engineer kept the time account? A. No, sir, I don't think he did.

Q. How could the captain certify to it? A. He would only certify as accepting from the chief engineer.

Q. And the chief engineer would have to accept that statement from some one else? A. He would instruct the captain it was a fair bill to send.

Q. How would he know whether it was a fair bill or not? A. Well I suppose he would know.

Q. I am asking you on your oath, and as a sensible man in business, whether you think a bill such as that is adequately checked by any one on the dredge? A. Yes, sir—well adequately is perhaps a little more than I want to say—perhaps it is not adequately checked.

Q. What you mean to say is that it is checked as well as could be under the circumstances? A. Yes.

Q. After the thing is done? A. Yes, sir.

Q. But there is really no adequate checking? If a few hours were added or taken off or anything of that sort at Pictou by the Pictou Foundry & Machine Company for instance, neither you nor Captain Lyons would be any the wiser, would you? A. No, sir.

*By Mr. Ducharme:*

Q. You make that approximate valuation? A. Yes, sir.

*By the Chairman:*

Q. That only simply amounts to this that if they present a bill you sign it? A. I have certified it.

Q. If the Pictou Foundry & Machine Company send you in a bill you certify it as a matter of course? A. If it is certified by the captain.

Q. Your name goes down as a matter of course if the captain's name is there? A. Yes.

Q. So really you do not exercise any supervision over the hours? A. Unless it is a particular job.

Q. Unless it is a particular job? A. No, sir.

Q. You sign because the captain does? A. Yes.

Q. Now take that Pictou Foundry & Machine Company bill, wasn't that signed just as it came in? I mean to say no alterations were made in it? A. As it came to me.

Q. I don't care who it came from, but as it was rendered by the Pictou Foundry & Machine Company. Was it signed in just the same condition as it came from them? A. No, it comes to my office and it is checked by a clerk and if it is found to be correct it is signed.

Q. Did the checking up result in taking anything off? A. No, sir.

Q. The bill was signed as rendered in the first place? A. Unless we found some errors in the addition.

Q. Well did you find any errors? A. Well I can't remember.

Q. Now I find that Matheson & Company on May 31, 1911, were paid for several services there to pontoons, &c., as per agreement? A. Yes.

Q. Who made that agreement with Matheson & Company? A. Mr. Howden and myself.

Q. How did you arrive at the figure of \$1,760? A. We asked them to quote a price for doing the work.

Q. And you took the price they quoted? A. Yes, it is the only place on the river that they can be hauled out.

Q. Yorkton is the only place to take the tug and they had the only place for the pontoons? A. Yes, we tried to get other places and failed.

Q. And the result was in both cases that these men were paid what they asked? A. Yes, sir.

*By Mr. Lake:*

Q. What other places did you try? A. We tried a few other places on the river, Fraser's Point and the shipyard.

Q. Why couldn't you get them? A. We discovered the people who owned the shipyard, owned the other properties as well.

Q. And they had a cinch on the business? A. Yes, there was no other place.

Q. Where was the *Cape Breton* employed in 1910 and 1911? A. I think on Cape Breton island all that time.

Q. That is in the summer of 1910? A. That year she would be in North Sydney, Sydney, Little Bras d'Or, and I think St. Ann's and Ingonish.

Q. The departmental report speaks of her during 1910 and 1911 as cutting a channel 40 feet wide and 2,400 feet in length to a depth of 20 feet at low water, but owing to stormy weather in the fall she was unable to finish the cut? A. Yes.

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Q. Has she finished that cut? A. No, sir.

Q. Has she been employed again at Little Bras d'Or since then? A. No, sir.

Q. What is her capacity? A. Her capacity working in good material is about 3,000 to 4,000 yards, but unfortunately we very seldom get good material for her to work in.

Q. Do you remember how many yards she dredged at Little Bras d'Or? A. No, sir.

Q. Nor how many yards she dredged during the season of 1910 and 1911? A. No, sir, not without seeing the report.

Q. Have you any idea of about the average of working days she has during the year? A. Her average would be I suppose about three this year.

Q. How many do you say? A. About three per week, scarcely that.

*By the Chairman:*

Q. Why so little? A. Because she is unfortunately working in exposed places where we are not able to work her all the time.

*By Mr. Lake:*

Q. Do you mean three days for the whole year? A. About three days per week for the dredging season.

Q. And how long does the dredging season last? A. In Cape Breton usually from about the 15th of May until the 1st of December.

*By the Chairman:*

Q. Has she been chiefly used in Cape Breton? A. Yes, for the last number of years.

Q. There was one year I noticed some time ago that she did not work almost all the summer? A. She was working at Antigonish and we had to wait to get a fine day, and sometimes we couldn't get one for a week or ten days.

Q. How long ago was that? A. I think that was in 1910.

*By Mr. Lake:*

Q. How many tugs are in attendance on the *Cape Breton*? A. Latterly three, there used to be two.

Q. How many were there in 1910? A. Two, I think.

Q. I notice in the departmental report for 1910 and 1911 that the charge for towage was \$20,169? A. Yes.

Q. How many tugs was that? A. Was that in 1910?

Q. Yes, in 1910 and 1911.

*By the Chairman:*

Q. I have the particulars here; how many boats did you say were in attendance?  
A. Two all the time and three sometimes.

Q. In 1910 you had the *Fairy*, the *Nelson* and the *Merrimac*? A. Yes, sir.

Q. For a portion of the season you had all three? A. Yes, sir.

Q. Are these boats about the same size? A. The *Merrimac* and the *Nelson* are about the same size, only the *Merrimac* has greater power.

*By Mr. Lake:*

Q. Are those tugs employed at the full daily rate during the whole season even when they are only actually working three days a week? A. Yes, sir, if they are standing by the dredge.

*By the Chairman:*

Q. Then there is no arrangement with them for a cut down for the days they are not taking the scows out or anything of that sort? A. No, sir.

Q. Wouldn't it be fair that there should be? A. They have to stand by the dredge all the time during the season, all the time ready to proceed at a minute's notice. They are always liable to have a dredge laid up at any place, and we might have to get it out at any moment. At Ingonish you can't leave at all and Little Bras d'Or the same way, you must be ready to pull up at any moment and get away.

Q. You mean for the safety of the dredge? A. Yes.

Q. How many scows were there on attendance with the *Cape Breton*? A. In 1910 there were three.

Q. Three scows in 1910? A. Yes, three.

Q. Some of those tugs I suppose, in case of stormy weather, would have to look after the scows? A. Yes.

Q. And some of them have to look after the dredge herself? A. Yes.

Q. Has the *Cape Breton* any means of propelling herself? A. No, sir.

*By Mr. Lake:*

Q. Do you know her original cost? A. No.

Q. I notice that in 1910 and 1911, \$15,313 were paid for repairs? A. Yes.

Q. Were those repairs ordered by yourself? A. The repairs were all ordered by myself or Mr. Howden, or the mechanical superintendent, they always are.

Q. Is that a rather unusual amount for repairs on a dredge in one year? A. It was rather unusual for her.

Q. What did it include? A. She was in very bad condition; one thing it included was a new boom, she was in very bad condition generally and we had to take the house off her, it was completely rotting away and it was dangerous for the men on board outside so we had to take it off.

Q. Where was the work done? A. In 1910 do you mean?

Q. Yes. A. It was at North Sydney and Point Tupper—Point Tupper I think it was on the slip there.

Q. No tenders were called for those repairs? A. It is very difficult to call for tenders for work, because we don't know ourselves what is required until she is opened up and her machinery is all opened up, and we start repair work, we don't know ourselves till then what may be required.

*By the Chairman:*

Q. There are certain repairs that require to be made every year I suppose? A. Yes, certain general machinery repairs.

Q. Yes, and certain general things such as painting the hull? A. Yes.

Q. That has to be done every year? A. Yes.

Q. There are certain repairs that would develop from examination, that they would have to be made, so at the end of the season you can look at a boat and say that certain things are needed? A. Yes.

Q. Is it not possible to obtain prices for those things that are apparent? A. Yes.

Q. And leave uncertain those things not apparent? A. We always do that, for instance, if we have a broken bucket or boom or something of that sort.

*By Mr. Lake:*

Q. Well you say in this case you had to replace her boom? A. Yes.

Q. Well you didn't call for tenders? A. No, because we had to go to the only person who had a shop, to get it made, that is the only person near us at the time who had a shop.

*By the Chairman:*

Q. In the things you need for her, whether repairs, provisions or anything else, has there been competition between every one or is there a patronage list? A. I

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never had a patronage list, but always followed the patronage system, that is to say I was advised either by a member for a county or some one else representing him.

Q. That is you had to get from some one the persons names? A. Yes, they would recommend some one.

Q. In other words you were expected to give employment, or buy things, or hire things from friends of the government? A. Yes, sir.

Q. And the person from whom you were to buy would be named by the member for the district? A. Yes, or some one representing him.

Q. If there was no member on the government side? A. Yes.

Q. If you were in Pictou you would consult Mr. Macdonald I suppose? A. Yes, sir.

Q. Or his agent? A. Yes.

Q. And if you were in another county, if there was a government member, you would consult him? A. Yes.

Q. And if there was no government member, but if the member of parliament there was in opposition you would consult the defeated candidate I suppose? A. Yes, sir, the same system as we are working on to-day.

Q. You are continuing the same system? A. Yes, only it is *vice versa*.

Q. You are not responsible for it, it is general; instead of buying in the cheapest market you have to buy from friends of the government for the time being? A. Yes.

Q. That is the rule isn't it? A. That has always been the rule.

*By Mr. Lake:*

Q. Is that the case with respect to repairs?

*By the Chairman:*

Q. In respect to anything, isn't it? A. Yes, with respect to repairs it is a little different because sometimes you have to go to some place. Down in our part of the country we are not favoured with so many large repair shops as you are here.

Q. In other words you would qualify it in this way, if there is no one else except an opponent of the government you go to him? A. Yes.

Q. And if you can get it from no one else, you do? A. Yes.

Q. But if you can get it from any one else than an opponent of the government you get it from such person? A. Yes.

*By Mr. Lake:*

Q. Supposing there are two repair shops where you get a dredge repaired, one belonging to the other party, do you get competitive tenders? A. Yes, we have had to do it—no I misunderstood your question, we do not ask for competitive tenders.

*By the Chairman:*

Q. You simply go and make a bargain with the friend of the government? A. Yes, but we get the best terms we can.

Q. The best terms under the circumstances? A. Yes, under the circumstances.

Q. But you readily admit I suppose, that the system of political patronage restricts you very much in making your arrangements? A. Yes.

Q. Upon the question of towage, I find about December of 1910, you had the *Canada* working on the southern coast? A. Yes.

Q. I see that her towage that year was less than one-third of the amount for the *Cape Breton*? A. Yes.

Q. What explanation is there of that? A. She had only one tug, and the *Cape Breton* had three.

Q. Is the *Cape Breton* capable of dredging very much more? A. Yes, and the *Canada* is self-propelling.

Q. And consequently does not have to be looked after? A. No, sir.

Q. Now with reference to that, having regard to the exposed coast and the need of all the dredges being frequently moved, would it not be better to have a self-propelling dredge down there? A. None of the dredges used down in that part of the country are self-propelling.

Q. What is the *Canada*? A. A ladder dredge.

Q. Why not? A. We have hard, heavy bottoms, and the *Canada* is a ladder instead of having one like the *Cape Breton*? A. In the first place she could not work in the exposed places as well as the *Cape Breton*.

Q. Why not? A. We have hard, heavy bottoms, and the *Canada* is a ladder dredge and cannot work except in soft material, and further than that the *Canada* is the only ladder dredge we have, she is the most suitable dredge we have, in fact the only one on the south shore of Nova Scotia.

Q. Why is it that she is most suitable there? A. Because they have more soft material there.

Q. How do you describe the *Cape Breton*? A. She is a dipper dredge.

Q. Why do you call the *Canada* a ladder dredge? A. It is a continuous chain of buckets that go down through a hole to the bottom discharging themselves into a chute into the scow. A dipper dredge is a long boom and a bucket working at the bottom.

Q. In the case of a dipper dredge is it possible for her to be self-propelling? A. I never heard of one.

Q. Do they have to have a square bow? A. Yes.

Q. Scow shaped? A. Yes, they have to be in front.

Q. Like scows? A. Yes, they carry their own spud anchors.

Q. Have you any other dipper dredge except the *Cape Breton*? A. The *George Mackenzie*.

Q. She was on the northern coast? A. Yes.

Q. What did her towage cost lately? A. She is a very small dredge and does very little work.

Q. Doesn't she have a departmental tug with her? A. Yes, she did have the *Rona*.

Q. Well, then, besides that you hired some towage for her? A. Yes, for outside towing.

Q. What do you mean by outside towing? A. Sea-going. For instance, we are moving from Quebec to Halifax, and we have to get heavy tugs to escort them down.

Q. You say the *George Mackenzie* is a small dredge? A. Yes.

Q. Any year during your memory was she altogether laid up? A. The *George Mackenzie*?

Q. Yes? A. No, sir, excepting in the winter.

Q. Where do you chiefly use her? A. She has been used this past season at Arisaig and Ballantyne's Cove.

Q. Where do you use the *Northumberland*? A. On the Pictou channel the last three or four years.

Q. Is that a continuous work? A. It is unfinished.

Q. How long has it been going on? A. I think we started it the fall of 1908.

Q. Well, it is still unfinished? A. Yes, sir.

Q. And what is the nature of the work? A. It is a new channel from the town of Pictou to the town of New Glasgow.

Q. Up the river? A. Yes, it is a very crooked river and a very bad channel, and we are deepening the channel there.

Q. And the material is what? A. It is nearly all mud and oyster shells.

Q. Is that soft or hard? A. Very soft.

Q. And what kind of a dredge is the *Northumberland*? A. A suction dredge.

Q. What depth of water is she working in there? A. She is making it 22 feet.



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Q. And she discharges the material into scows, I suppose? A. No, sir, into pontoons.

Q. Where are they carried? A. We have 3,000 feet of pontoons running over from her and they carry it to the shore.

Q. And the shore is low? A. Most of the places it is low, we choose low place for making the deposit.

Q. She began down river and is working up, I suppose? A. Yes, the engineer placed us at a certain place last year and we completed that dredging to our next point, and this year they placed us at the Pictou end to meet the other channel.

Q. The upper part was done first? A. The centre part.

Q. Has the New Glasgow end been done? A. No, that will be the last to be done.

Q. You have a couple of year's work before you? A. I don't know what the programme is, but I think it will take next season to complete the deepening to Trenton.

Q. Is there much traffic up and down? A. I should think there would be with the river deepened, to the steel company.

Q. You mean to say they will go right up to New Glasgow? A. Up to Trenton.

Q. What depth of water will they get? A. 22 feet.

Q. Have you any knowledge of the comparative cost of operating government tugs and the cost of towing by contract? A. No, sir, of tugs you mean?

Q. Yes? A. No, sir.

Q. Are these tugs that wait on dredges, the *Merrimac* and the *Nelson*, pretty steadily employed for that purpose year after year? A. Yes, they were until recently.

Q. You mean since the change of government? A. Yes.

Q. I suppose no tugs are employed yet this season? A. Other tugs were employed until we finished the season, but none are employed now.

Q. But take these tugs I speak of, the *Merrimac* and the *Nelson*, how many years have they been employed by the *Cape Breton*? A. I think the *Nelson* has been employed ever since I have been in the department, and the *Merrimac* I think perhaps since 1908.

Q. I notice that the *Merrimac*, for instance, was about 227 days out of the year employed? A. Yes.

Q. Then of course there would be the winter season when she would be doing nothing? A. Yes.

Q. So in such a case as that she was practically employed every day during the open season? A. Yes, practically every working day.

Q. And the *Merrimac* would get little or nothing from any other source except being employed by the government dredges? A. Yes.

Q. And that would be true of the *Nelson* also? A. Yes.

Q. Well the *Fairy* was employed 107 days I see? A. Yes.

Q. She would have a portion of her time when she was not working? A. The early part of the season maybe. She is the boat we took instead of the *Mersey*.

Q. In 1911 and 1912, last year, the towage of the *Cape Breton* was nearly \$7,000 less than the previous year. Can you give any explanation of that Mr. Graham? A. I do not know, unless it was that she didn't have any outside towing.

Q. Well you are only guessing at that? A. Did you say \$7,000 less?

Q. Yes, in the year 1910 and 1911 it was \$20,000 and in the year 1911 and 1912 it was only \$13,000? A. The only explanation for it was that there was less outside sea-going towing to do.

Q. You would have to have the tug waiting there all the same? A. Yes, we had the same tug.

Q. You had the same tug? A. Yes.

Q. Then if you had the same tugs, how is it that the towage would be so much less one year than the other? A. Because we never allow the dredge to go outside with those boats, we always send a heavy tow boat with them in addition.

Q. To tow them from place to place? A. Yes, for outside work.

Q. You don't know whether she did much outside work the season before last or not? A. I cannot understand the discrepancy of \$7,000 between the two seasons.

Q. I find in the season of 1910 the only tow boats you had were the *Merrimac*, the *Nelson* and the *Fairy*? A. Yes.

Q. Those were in constant attendance? A. Yes, sir.

Q. So that would not be outside work? A. No, sir.

Q. That year the only outside work you had was done by the *Iona*? A. Yes, we had the *Iona*.

Q. That was only \$500? A. Yes, sir. If you please, Mr. Morine, I would like to know where the difference comes in in those two years in the towing. I cannot understand such a large difference.

Q. All the men on the tugs under your jurisdiction are fed on board with provisions purchased through you? A. Government owned tugs, yes.

Q. Yes, I am speaking of government owned dredges and tugs? A. Yes.

Q. You did not adopt the system down there of farming it out to the cook or captain? A. It never has been done it is going into force the first of next month.

Q. Well have you received word what rates to allow? A. Yes, sir.

Q. Well what rate are you going to allow? A. We are going to allow fifty cents per day per man.

Q. Fifty cents per day per man? A. Yes.

Q. Have you been given any scale of provisions to supply them with? A. No the captain takes charge of the food of the whole crew at that rate.

Q. But suppose he does not feed the crew, and the crew make a noise about it, what are you going to do? A. There is nothing we can do, it is up to the captain.

Q. Have you laid down a schedule, a menu for him to provide? A. No, sir.

Q. You have not? A. No, sir.

Q. You know enough about shipping to be aware that under the Merchants' Shipping Act that has to be done on sea-going vessels? A. I know we have been feeding our men for less than fifty cents per man per day and they have been having good grub.

Q. What is the object of giving them fifty cents per man per day? A. That is the stated rate in other parts of Canada in the government service.

Q. But that will only be putting something in the hands of the captain? A. I don't know whether it will or not. There might be times that a captain might be in some place at short notice where he will be unable to provision a ship, and it will cost more.

Q. Well it follows as night follows day, that if you have been feeding them at fifty cents the captain won't feed them any better? A. No, I don't think so.

*By Mr. Lake:*

Q. Have you compiled a statement and gone into extensive calculations in support of that statement of yours that the government can feed the men for fifty cents per man per day? A. Yes.

Q. You have gone into close calculations? A. Yes. we have one dredge—taking that the whole season through they average less than fifty cents per man per day.

Q. Have you forwarded this statement to the department? A. No, I didn't have the demand for that for my dredges.

*By the Chairman:*

Q. I could quite understand if it were costing more than fifty cents per man per day and the department thought it was extravagant, it might put in the system you

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speak of, namely, farming it out to the captain or the cook, in order to cut down the expenses, but I cannot see the reason for putting in that system when the results may be simply to give the captain a rake-off? A. I don't think that is the idea.

Q. I know it is not the idea. A. I have simply received instructions from Mr. Dufresne.

Q. The idea must be because they have done it up here and therefore they should do it down below. I think you are right with reference to your statement as to the expense, I have had some figures made up and you are right with regard to your statement about the cost of feeding, except in the case of one dredge? A. Yes, the *Northumberland*.

Q. In 1911, according to the figures I have had made up from returns, the *Cape Breton* cost \$54.85? A. Yes, that is for the whole year.

Q. It would be for the season from April until October? A. Yes, sir.

Q. The *Northumberland* averaged \$59.18? A. Yes, I know she was high.

Q. What made her so high? A. An extravagant cook I think; she should have been the lowest, because she had the largest crew to feed, and should have made a better showing than the others.

Q. She had on her average 28 men on board? A. Yes.

Q. And sometimes she had 31? A. Yes.

Q. And that gives her a larger number of days? A. Yes.

Q. And further than that she was dredging in a section which was reasonably cheaper? A. Reasonably cheaper, yes, in Pictou county.

Q. For instance, such things as butter and eggs and beef, they ought to be got fairly cheap there? A. No, sir, they are not, I am sorry to say. Butter and eggs are two things we have to pay very high for.

Q. Don't you get them locally? A. Yes, some of them.

Q. Of course every one must pay high for those things, but I meant comparatively cheap there? A. Oh comparatively.

Q. I think Pictou county is at least as moderate as any other county in Nova Scotia? A. Yes, it is a fair average county.

Q. Is the same cook on board her yet? A. He is not on her now, he has been until lately.

Q. When was it first brought to your attention that she was expensive? A. I keep a record of it each month myself.

Q. I find there were two months, the month of June and the month of August, 1911, when the bills were high? A. That might happen by provisioning up particularly in one month or perhaps not giving bills in before.

Q. Now speaking of that towage again, I notice that in the season of 1911, the tugs in attendance on the *Cape Breton* were the *Merrimac*, the *Fairy* and the *Maggie F.*? A. Yes.

Q. Was there any other last year? A. No, I think not.

Q. Just those three? A. Yes.

Q. The *Merrimac* and the *Maggie F.* were paid \$40 per day, I understand? A. Yes.

Q. And the *Fairy* was paid \$30 per day? A. Yes.

Q. These were the three? A. Yes.

Q. Well the *Merrimac*, we will take her—did you have the *Merrimas* in the month of August last year? A. Yes, sir.

Q. She was there in September I know, but did you have her in August? A. Yes, sir.

Q. She was not used much, only \$1,166? A. They were put off after the change of government.

Q. And what other steamers went on in their places? A. The *E. F. Cates* and the *Nelson*, and the *Miner* I think were the names.

*By Mr. Lake:*

Q. Do you find there is much competition to get government work for the tugs?  
A. No, the difficulty is to get enough tugs generally that are good and serviceable.

Q. Do the owners of the tugs ask higher figures than you will give them? A.  
Oh no.

*By the Chairman:*

Q. They have a regular fixed rate, I mean to say where Mr. So and So owns a tug, he knows he will get his tug employed at the regular daily rate, it is a well understood rate, and he puts it on.

*By Mr. Lake:*

Q. Do you pay only the rates usually paid by private individuals for the use of tugs? A. Yes, excepting private individuals would never have them for the full period like we do for the full season.

*By the Chairman:*

Q. For instance, we will take a tug for which you are paying \$40 per day for the season, if that tug were hired one day or two days or a day a week by ordinary private parties would they get her at that rate? A. I don't think so, unless it was for some special day that a man's tug was not doing much and he knew he would not be doing much.

Q. You think you pay a fair average rate? A. I think so for tug boats.

*By Mr. Lake:*

Q. Ought it not to be possible to put the matter of towage up to tenders? A. It is very difficult to get a tug boat, the only tug fit to handle a boat near Sydney is a boat owned by the Dominion Coal Company, otherwise we have to go all the way to Halifax.

*By the Chairman:*

Q. With regard to the tow boats you need permanently to attend during the season on the *Cape Breton*, if they were put up to tender and contract so that opponents as well as friends of the government will come in, would there be a chance of getting a lower price? A. Yes, I think there would.

Q. Now under the present existing conditions with the fellows who are not at the crib much being cut off, if it were thrown open so that they could tender wouldn't it be beneficial? A. I think it would, but the tow boat men are like all other individuals, they would very soon get together I have no doubt.

Q. Then the next thing would be government tugs? A. We have practically arranged for a government tug for the *Cape Breton* to-day.

Q. Where to come from? A. From Pictou.

Q. Is there one there? A. Yes, the *Lisgar*.

Q. What has she been doing? A. Attending on the dredge *George Mackenzie*.

Q. What is she to do? A. She has been dredging there.

Q. But in future? A. I don't know her programme.

Q. But what is she to do for a tug? A. The *Canso* is coming from St. John to take her.

Q. You are getting another tug? A. Yes, the *Canso* from St. John.

Q. She has been attending on the *Fielding*? A. Yes.

Q. She is a government owned tug? A. Yes.

*By Mr. Lake:*

Q. The system of repairs is carried out in this way I understand from the papers: You are informed you are going to have a certain amount of money available for repairs? A. Yes.

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Q. And you have authority as long as you keep within that amount to make such repairs as are necessary? A. Yes, we make our estimates and afterwards we are informed what the appropriation is.

Q. There is a case last year in which you had exceeded that appropriation? A. Yes, sir.

Q. How did you do that? A. I might have a ship and I thought she was only going to cost me \$5 for general repairs, and if she got on the rocks or anything of that kind, or anything unforeseen hapened, it might cost twice that.

Q. Were there cases of that nature? A. Yes, there were, that is on file.

Q. If there were a case of that nature would it not be your duty to report that at once to competent authorities? A. We didn't know at the time we were going to be so much overdrawn until the accounts came in. The accounts should have reached us before March 31; they began flowing in in the early months of the next fiscal year and they were very much more than we had supposed.

Q. You don't know from time to time how much outstanding accounts there are? A. There are often accounts out for three or four months, that we don't know about.

Q. You only keep a general running account in your head? A. We keep a record of the captains reports, and we know from time to time by going around.

Q. You don't know what the bills will amount to? A. No.

Q. Not at all accurately? A. No, not very closely.

Q. It strikes me you should know pretty closely? A. Our records are made up in connection with Mr. Howden and the mechanical superintendent.

Q. I notice in this particular case when asked for explanations you were a very long time in making a reply to the request of the department for an explanation. It seems to be not the only case in which the department has been asking you to reply to their letters which you apparently take a very long time to do. Is it your habit to allow a very long time to elapse before answering your correspondence? A. No, but I am away a great deal, and I do not have a travelling inspector as they do in the other place, and I do a great deal of travelling myself.

*By the Chairman:*

Q. Is there no travelling inspector in Nova Scotia? A. There is a mechanical inspector, but he is for the maritime provinces and makes his headquarters in St. John.

Q. Doesn't he inspect in Nova Scotia as well? A. Yes.

Q. Doesn't he help you as well as the other man? A. Yes, but he is not with me all the time as in the other office.

Q. You were saying you travelled a great deal because you had no inspector? A. I travel a great deal more because I have no other man in the office with me.

Q. Who does the work in the other office? A. Mr. McMurray does the travelling.

Q. He is the inspector, the mechanical inspector? A. Yes.

Q. Well doesn't he do as much travelling in Nova Scotia as in the other? A. I don't think so.

Q. Well what you mean to say he is that outside of the office in St. John the superintendence in New Brunswick is done by the inspector? A. Yes.

Q. Mr. Scovil does not have to travel? A. Yes, and he has a larger staff to attend to his office work.

Q. Do you travel to Prince Edward Island at all? A. No, that comes under Mr. Scovil.

Q. Isn't it longer to get to Prince Edward Island for Scovil than for you to do it from New Glasgow? A. Just about the same, it would depend upon the boat connection at Pictou. It would be handier for him going from St. John.

Witness retired.

The Commission then adjourned.

OTTAWA, March 28, 1912.

## PRESENT:

Honourable A. B. MORINE, K.C.,  
*Chairman.*

G. N. DUCHARME, Esq.,  
 R. S. LAKE, Esq.,  
*Commissioners.*

A. R. DUFRESNE, assistant chief engineer, (recalled):

*Examined by the Chairman:*

Q. Mr. Dufresne, the commission have it in mind to recommend to the council that the maritime provinces be put under one superintendent instead of two as it was before the appointment of Mr. Graham; what do you think of that? A. I think that would be an excellent system. I have always thought that one qualified man could handle that maritime province situation all right.

Q. Now with reference to the inspector who has recently been appointed in Prince Edward Island, the commission thought of recommending that in case of a change in the superintendency the inspector should be attached to the St. John office, for service wherever directed? A. Yes, that would be a good idea.

Q. The idea in our minds was that he possibly might not have enough to do to keep him in Prince Edward Island all the time, and he could very easily be used across the straits in Nova Scotia or somewhere else close by the St. John office? A. Yes, that would be a good idea and would familiarize him with other plants besides the plant he is in charge of in Prince Edward Island.

Q. And at the same time would cut down the area which the other inspector might have to travel over away down to the eastern end of Nova Scotia? A. Yes, sir.

Q. We thought it would tend more to centralize control by having two inspectors report direct to the office at St. John and be under orders to go wherever the office might desire to send them? A. Yes, that would be a good idea.

Q. Now, in case of the appointment of one superintendent, do you think that the present incumbent at St. John, Mr. Scovil, is competent for such work? A. The experience that I have gained in the last year since I have been here was that Mr. Scovil is not properly qualified to look after our dredging plant.

Q. Would you say in what particulars he would fall short? A. Well, in the first place I judge that the man absolutely never had any experience of that nature before and has no mechanical experience whatever. He is especially lacking in control. There is a great lack of discipline noticeable in the plant under his jurisdiction, which I attribute entirely to the fact that he has not proper control. He seems to show a lack of decision and a lack of backbone in handling those matters.

Q. Does he show any reforming energy? A. My recollection is that there are hardly any, very, very few reforms that have been suggested by him, and on the contrary such reforms as have been suggested from this end generally seem not to meet with his approval, I should not say exactly not to meet with his approval, but what I mean is that there is great difficulty in establishing reforms from this end. There are always objections made by him and the correspondence appears to show that those objections are made by the wrong people. He is influenced, that is one of his greatest troubles, I find that one of the greatest troubles with Mr. Scovil is that he is easily influenced by people under his charge. Most of these reforms are objected to by men, captains and other officers of the dredges under Mr. Scovil's charges, and he refers generally to having consulted them about these reforms.

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Q. During your experience has he kept completely in touch with headquarters here? A. In some things he has, and then again in many questions of importance he apparently has not.

Q. Does he travel away from St. John very much? A. I don't think he goes around very much at all. I have an idea that he is very seldom away from St. John.

Q. Prince Edward Island is under his direct superintendence? A. Yes.

Q. Do you know whether he paid any attention there? A. There have been complaints for the last year or two of the inefficiency of plant in Prince Edward Island; possibly the operation of this plant was looked after less than any other plant under his jurisdiction, and I do not think Mr. Scovil went there much if any.

Q. Is there any case in which Mr. Scovil has failed to report instructions he has received? A. Well, Mr. Scovil has had on various occasions instructions of various kinds, and he has not reported the action that has been taken. Some of those instructions have been with regard to repairs and others with regard to alterations and appropriations, and it was afterwards found out that those instructions were not followed.

Q. Well did he give any reason in any case for that? A. Some reasons have always been given but have not been satisfactory.

Q. There was one case we noticed some correspondence about where there had been great delay in getting signatures to contracts, do you remember that incident? A. In connection with buckets for the dredge *Fielding* do you mean?

Q. Yes, we find for instance on May 23, 1911, the draft contracts and security agreements were sent to Mr. Scovil to obtain signatures and on September 11 Mr. Scovil reported 'We have asked the contractors several times to sign, but have not succeeded in getting their signatures until the 8th inst.' Do you know anything about the incident, the cause of the delay? A. My recollection is not very clear on that particular incident, but there may be more correspondence than you have seen on that matter, but at present I do not recollect why there should have been that delay. It would appear from the letter just quoted there that it was the first time it was brought to our attention.

Q. On September 28 he sent back the signed contract which had been sent to him in May, did he explain the delay in getting back that contract at the time? A. No, but I may say that delay in signing contracts does not necessarily mean delay in prosecution of work.

Q. No, but then there is the danger that if the contract is not eventually signed what will become of the work, what is the use of a contract? A. The deposit is always on hand.

Q. But what is the good of a deposit if there is no contract to show what the deposit is for? A. I don't know what the reason was.

Q. Did you find him exercising economy with regard to the number of employees on the different dredges? A. No, over a year ago it was conjectured or it was found out that the departmental plant was overmanned in the maritime provinces, and attempts were made at the time to cut down those crews, and on the matter being brought up to Mr. Scovil it was found that he was apparently influenced by the captains of the tugs and dredges to take the side that the vessels were not overmanned and he reported accordingly. And then a short time ago a proper strength of working crews was figured out for these dredges and tugs in Ottawa here and sent down to Mr. Scovil. The reduction in some cases amounted to about forty per cent. or almost half the crew was cut down in some cases and from the result it appears that Mr. Scovil is satisfied that with the addition of one or two men more these crews will be at proper working strength, which to my mind shows that he now admits that the vessels were overmanned in the first place.

Q. The condition or the management of the maritime province plant, has not in your opinion upon the whole been as satisfactory as the management of the de-

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partmental plant in the provinces of Ontario and Quebec? A. No, I may say that in my opinion we have obtained a considerable amount of success in reorganizing the departmental dredging in Ontario and Quebec last season, and in the early spring of last year serious attempts were made to reorganize the maritime dredging plant, but the answer and the way we were met by Mr. Scovil and Mr. Graham was so discouraging that in my opinion very little attempt could be made there until proper superintendents were put in charge.

Q. And you believe in order to introduce a better condition of affairs it is necessary to have a change of superintendents? A. Absolutely.

*By Mr. Lake:*

Q. Can you tell us something about the loss of the *New Brunswick*? A. Well she was lost last September, at the end of September last year, and although no investigation was made at the time regarding the loss of this vessel, I have been of that opinion that it may have been possible to have saved her if she had been looked after properly. I am inclined to think that if Mr. Scovil had sent over one of our government tugs, the *Helena* or one of the hired tugs at St. John we would have saved the dredge, but this is only an opinion of my own.

Q. You mean to say at the time she was lost she was being brought over from Digby? A. Yes, she was being brought over from Digby to St. John with two or three small tugs.

Q. And you think if the tugs with her had been more powerful she would not have been lost? A. Yes, sir.

Q. The Bay of Fundy is a notoriously stormy and difficult piece of water? A. Yes, of course.

Q. And your idea is that it would be unsafe at any time to trust the dredging plant to weak tugs? A. Yes, and more than that—no investigation was made into this, but I am inclined to think the thing was bungled. They left Digby, possibly it might of been fair weather when they left and they didn't get very far out when the storm overtook them, and they couldn't do anything else under the circumstances of course, but if they had had a stronger tug they could possibly have gone back to Digby or come straight through.

Q. In regard to that the hull was sold for \$20, that seems to be a very small valuation, and I believe the machinery was also sold at a very small valuation. Have you any remarks to make upon that? A. Well, I am not familiar with the circumstances of the case, because I have never been down there, but it might quite well happen to my mind that the hull might not be worth any more than the \$20. With regard to the machinery, a rather strange circumstance about that was that Mr. Scovil reported that we should retain that machinery for use, that we should build a new dredge, and on his recommendation and report I recommended to the department that this machinery be kept. Shortly after that Mr. Scovil then reported that the machinery would be no use to us, and he would advise its sale. Eventually the machinery was sold at sale by calling for public tenders.

*By the Chairman:*

Q. And with reference to the sale of the dredge itself, was the department consulted by telegram before that was done? A. I can't remember that Mr. Morine without referring to the file.

*By Mr. Lake:*

Q. How much did you realize from the sale of the machinery? A. Well, I cannot tell exactly, but it was in the neighbourhood of \$1,800, I am not sure of that but the correspondence is on file and will show it of course.

*By the Chairman:*

Q. Why was no investigation made into the loss of the *New Brunswick*? A. Well an investigation might have been made I presume, but Mr. Scovil made a lengthy



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report on the matter in connection with the loss and reported the circumstances in the case. From this correspondence it appears that Mr. Howden was there at the time, and I have no doubt that Mr. Scovil was influenced in his decision by Mr. Howden.

Q. That is concerning the sale of the machinery, you mean that Mr. Scovil was probably influenced by Mr. Howden in regard to changing his opinion with regard to the advisability of keeping the machinery or selling it? A. Yes.

Q. Have you the report of Mr. Scovil regarding the loss of the *New Brunswick*? A. Yes, here it is.

Q. The *New Brunswick* had been working at Digby? A. Yes.

Q. Was the work completed there or did some still remain to be done? A. There was some remaining to be done. It was in the Racquette at Digby.

Q. Do you know why she was taken off there? A. She had to be brought back to St. John, it was rather late in the season and she had to be taken back to St. John.

Q. Was she taken back for use in the St. John river? A. Well, I might say that the *New Brunswick* had been working almost altogether in the St. John river, and she was sent over to Digby—she generally worked in the St. John river, but owing to the lateness of the season and the desirability of getting her back to work in the St. John river, instructions were sent to bring her back.

Q. She could have continued to work in Digby and have laid up in the winter there, say in the Annapolis basin or some portion of it? A. Yes, but to my mind it would be much preferable to have her back.

Q. Why? A. That was her headquarters, that is where the work was and she could work later in the fall and commence again earlier in the spring.

Q. Why? A. Owing to climatic conditions.

Q. There wasn't much difference in climatic difference between Digby and St. John? The difference between St. John and Digby is a hop step and a jump, that is all it is? A. Well, all her work was in St. John river prior to going to Digby, she had been working there for some years.

Q. Was she ordered back to the St. John river by you? A. Yes, on directions.

Q. I mean was it a considered and volunteered recommendation by you or was it by the direction of the minister himself? A. I can not remember without referring to the files.

Q. I find a telegram here from Mr. Hunter to Mr. Jamieson, M.P., in Digby, saying: "The dredge *New Brunswick* has left for St. John river at the direction of the minister." A. That would possibly be it.

Q. Cannot you recall now—there should be no reason in the month of October, so far as the dredging is concerned why the dredge should have to leave Digby which is an in-shore sheltered place? A. My recollection is that on that file there are instructions from the minister to send her back to St. John, and they will be found on that file. If they are not on the file they should be, and I think I can find them.

Q. That is a direction from the minister himself? A. Yes, I think so.

Q. It is not on this file—you see that there are papers off this file between September 18 and October 3? A. Yes, I will try and get them.

Q. I notice in Mr. Jamieson's letter to the deputy minister he says, "The weather was exceedingly tempestuous when she left Digby, and it seems unfortunate that orders should have been given which compelled her to leave at such a time." Do you know of any orders which compelled her to leave in bad weather? A. I remember clearly that instructions were given to Scovil to have the dredge come back to St. John, but notwithstanding these instructions I certainly think that no man should take a dredge out in a storm. The safety of the plant is the first consideration.

Q. She was a dipper dredge? A. Yes.

Q. And therefore very difficult to navigate? A. Yes.

Q. And in a heavy sea most unmanageable? A. Yes.

Q. I suppose she had a square bow? A. Yes.

Q. And a flat bottom? A. Yes.

*By Mr. Lake:*

Q. This seems to be a case in which Scovil has not exercised ordinary discretion?  
A. That is the point; no matter what instructions a man gets he certainly should have used his own judgment so far as the weather was concerned. I presume he merely transmitted those instructions, but never went over there himself.

*By the Chairman:*

Q. I find then in a letter dated Oct. 4, from Mr. Scovil to you: "They have made several attempts to start from Digby with the tow, but have had to return. On the 29th we sent out tug *Helena* to meet them, but she had to turn back. I had a wire from Digby this morning that the dredge had left at 12 o'clock last night, but had to return again and would leave again at 7 this morning. I sent the *Helena* to meet her and she has returned without seeing the tow. It is blowing a gale here. As soon as it is possible to get her here she will be brought and sent up the St. John river. Messrs. Tapley Bros. are very anxious to have the dredge here as their tug is at Digby at their expense." Now isn't that the great trouble, that the contract had been made with some people to bring her across and they were waiting there for a chance to get across and would, of course, be very anxious to start out. In your opinion, should not an earnest endeavour have been made to find out who really was responsible for allowing that dredge to go out in weather which was very tempestuous? A. I confess that possibly we should have had an investigation into that. I know a short time after the loss of the *New Brunswick*, a very short time indeed, another accident was reported to me about the tug *Canso* having a collision with the lighthouse, and having in mind what had happened on the *New Brunswick* at that time I made arrangements and had an investigation made.

Q. And what was the result of that investigation? A. The result was that the captain was censured very much.

Q. It appears to me there ought to have been a strict investigation into the responsibility for this loss of the *New Brunswick*. It may be that Mr. Scovil is not to blame? A. Possibly.

Q. But orders had been received to get her across and he had made a contract, and the actual leaving of Digby was a matter between the captain of the tug and the captain of the dredge, or the agent of the department, if there was any agent at Digby other than the captain. Again it occurs to me that where weather conditions at St. John and Digby would be so much alike that Mr. Scovil at St. John ought perhaps to have had the last word in saying whether the dredge should leave or not, because he would know at least the weather into which she was coming, if not the weather that she was leaving. The distance between Digby and St. John is so small that she would only take a day to go across? A. It is 60 miles, I think.

Mr. LAKE.—I believe it is exactly 43 miles.

Q. Then she could go across in daylight? A. Yes.

Q. I find on October 2 that Tapley Bros. made an application for \$150 beyond the price at which earlier they had contracted to bring her across. Do you know what amount Tapley Bros. were really paid? A. I don't remember. I think so far as I can recollect that a report was obtained from Mr. Scovil on that matter of over charge.

Q. I find on October 9, Mr. Scovil says that he had paid them \$225 and he supposed they would be looking for the balance. Do you know whether they were paid the balance? A. I do not recollect.

Q. But would they be entitled to anything at all if they lost the tow on the way? A. I don't blame Tapley Bros. for the loss of the dredge, if we made an error.

Q. But we leave out the question of grace. If they undertook to tow her over for a fixed sum from one place to another and lost her on the way, would they lose the towage? A. Yes, unless there were unusual circumstances that I don't know of just now. As a general principle, yes.

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Q. As a matter of law if they did not complete the contract they would get no pay? A. As a matter of law, yes, I suppose so.

Q. If it became a matter of grace, to pay them something that ought to be considered by the department here, should it not? A. Yes.

Q. And you don't know whether it was considered or not? A. I don't know without referring to the file.

Q. Will you kindly make a note and find out what was done with that? A. Yes, it is not on that file is it.

Q. No, it is not. A. That file don't seem to be very complete. I think they were paid, to tell the truth—I think there was a report on that, but I am not certain in my recollection.

Q. I am not inclined to agree with you that if the dredge was lost, Tapley Bros. were not to blame, because I am not so clear that as a matter of maritime law, that the tug was not in charge of the dredge when she attached her halter to her, and the question of whether it was suitable whether to leave or not would be in the discretion of the captain of the tug boat? A. When I made the statement that I did not think Tapley Bros. were responsible for that my interpretation was this, that if the department made an error in judgment in hiring tugs that were not able to do that work, it was the fault of the tug captain.

Q. That is another thing, but if she left in unsuitable weather the question would clearly arise who had the discretion to say whether she would leave or not, and did they exercise a wise discretion? A. I think it was for the department to judge as to when they should leave.

Q. I am not so clear about that, because Mr. Scovil whom you mean by the word department was at St. John, and the dredge was at Digby, and the question whether the tugs could safely bring her out was a question of seamanship and control. They had a contract to bring her across, and they had, it seems to me, the discretion as to whether they should start out then or whether they should wait for suitable weather.

Mr. LAKE.—They had made a contract, I think, for the round trip.

Q. Now the decision as to whether the weather was suitable or not, might have to be made on the spot by the captain of the tug boat. I am only intimating that, it was a question and a serious legal question arises there? A. Yes, I see what you mean, and I presume an arrangement of that kind with Tapley Bros. might prove to be unsatisfactory, inasmuch as they would risk towing that dredge out to get within their plans.

Q. They might, and then the question would arise as to whether, as Mr. Lake suggested a few minutes ago, they were not personally responsible in the nature of an insurance to the government that they would bring her safely over.

Mr. DUCHARME.—When a man undertakes to bring a boat over he undertakes to bring her safely.

Q. And if he loses her on the way he may be responsible for the whole value? A. Personally I am not too clear on that point. If a man is towing a schooner I suppose it is the captain of the schooner who would give orders to the captain when he should leave, and thereby takes the responsibility.

Q. Well as you say, it is not fair to press you in any case on this question, because it is a question of law, but I am suggesting to you as the assistant chief engineer in charge of dredging, that this very question ought to have been one of investigation both as to facts and law? A. I am willing to admit that.

*By Mr. Lake:*

Q. I understand that Mr. McMurray and Mr. Howden sold practically all the machinery in the *New Brunswick*, everything except the boiler? A. Well Mr. Howden was only there in connection with the sale of the hull.

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Q. According to the report the machinery sold was in pretty good condition?  
A. Yes.

Q. Yet when it was put up for sale we find that the valuation put on it was very small? A. There was an attempt to purchase that machinery you know, without calling for tenders, and it was up here in Ottawa that we decided that if we had to sell the machinery we would call for tenders by public advertisement, and that was absolutely the highest price that was obtainable.

Q. It has been sold and the deal has been closed? A. Yes, sir.

Q. But you do not remember at the present moment what the sale price was?  
A. The sale price must be on that file, Mr. Morine.

*By the Chairman:*

Q. Are you referring to the machinery? A. Yes.

Q. No, there is only a valuation here? A. Well, according to my recollection it brought \$1,300 and some odd dollars. I make this statement after seeing the valuation shown in the file, because I remember it was very little above the valuation, because our idea in putting a valuation on it was to put an up-set price on it.

*By Mr. Lake:*

Q. The gist of your evidence is to the effect that you do not consider Mr. Scovil a competent officer to take charge even of the district comprised by New Brunswick and Prince Edward Island? A. Yes, sir.

Q. And if it now proposed to have one superintendent over the whole of the maritime provinces, you certainly think he will not be able to fill that position?  
A. No, I do not think Mr. Scovil has the requisite capacity or qualifications.

Witness retired.

The Commission then adjourned.

HENRY ARTHUR BAYFIELD, superintendent of dredges for British Columbia Public Works Department of Canada.

Salary, \$217 a month.

Examined by Mr. R. S. LAKE, Public Service Commissioner.

VANCOUVER, July 31, 1912.

Q. How many officials have you under you? A. I have no officials under me. Simply a staff.

Q. What are the number and status of the staff? A. One assistant, one inspector, one office man, one stenographer, and then I have 250 men working.

Q. The department own their own dredges? A. Yes.

Q. And there is no contract work? A. None, with one little exception.

Q. Your work is entirely the operation of dredges for the department? A. Yes.

Q. What are the salaries? A. My assistant gets \$150 a month, the inspector \$150, the office man \$100, and the stenographer, a female \$55.

Q. Has she been long in your employment? A. Only there a short time, about two months.

Q. Had you a stenographer before? A. My office man used to do it. Up to three years ago I did my own typewriting and everything else.

Q. How many dredges have you operating here? A. Ten dredges and auxiliary plants.

Q. Some of these were acquired recently? A. Yes, the whole thing practically has been built up within the last few years.

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Q. Where did you get the dredges from? A. The dredge *Mastodon* was built in Scotland. She arrived here in April last year, was brought round the Horn under her own steam. The dredge *Fruhling* was built in Hamburg, Germany, and arrived here three years ago this spring. Steamed across the Pacific. The dredge *Ajax* was built in Toronto and erected here in 1909. Then the dredge *Mudlark* was built in British Columbia about twenty years ago. The dredge *King Edward* was built in Toronto and erected here. The dredge *Bittern* was built here last year and the *Balkan*, the *Heron*, the *Nakusp* and *Muskrat* were all built in British Columbia. The *Lobnitz* rock breaker No. 1 was built in Scotland and erected here in 1911. The *Lobnitz* rock breaker No. 2 is now on her way out here. Then we have the snagboat *Sampson* built nine years ago—

Q. What is her work for? A. Handling snags in the mouths of rivers. The snagboat *Signet* about four years old was built in British Columbia, and works at the mouth of the Skeena moving snags there. The Naas river snagboat does similar work there.

Q. You might also give us the number of tugs? A. I have a statement showing all that that I could send in.

Q. Yes, I would like to have it. The government owns all the tugs in connection with the service? A. Yes.

Q. You don't have to hire any? A. No, though if a tug breaks down we might employ one.

Q. And you employ the captains and masters of all the different vessels? A. Yes, nominally.

Q. That is to say that commonly names are submitted to you for employment? A. I am supposed to consult with the different executives in different towns and take on a man whether he is incompetent or not.

Q. Do you have to take incompetent men? A. Yes, very often.

Q. The same system has prevailed in the past, has it not? A. Yes.

Q. Do you feel yourself bound to keep a man whether competent or not, or can you give him a trial and dismiss him? A. That is a rather difficult question. It depends on circumstances a great deal.

Q. Then you do keep men feeling that they are not competent, but feeling that political pressure is too great to allow you to dismiss them? A. Yes, but not in many instances.

Q. Then there have been cases where a man has been sent to you by a political side and you have been able to exercise your discretion about keeping him? A. Yes, in the lower grades, but we have certain employees, though not many, who I think would be better out of the service. Our captains as a rule are good men.

Q. Do you arrange for the keep of the men? A. Yes, we board them with the exception of one vessel.

Q. Whom do you purchase provisions from? A. Different merchants.

Q. Is it under a contract made by the department or by yourself? A. It is made by the department once a year. I call for tenders by public advertisement according to the rules of the department.

Q. Who is present when you receive them? A. I am myself, but always in the presence of witnesses.

Q. You never open tenders unless some one is present? A. No, and these different tenderers understand that if they wish they can be there.

Q. Are the tenders awarded by yourself or by the department? A. Up to the present I have awarded them, but now there is a new rule by which I send them to Ottawa with my recommendation.

Q. Then I suppose the tenders are not for single articles, but for a considerable number of articles? A. Yes, for supplies.

Q. And it would take a little discernment to decide which is the best tender? A. No, I have a system of marking which enables me to know. I invariably take the lowest tender provided it is a responsible firm.

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Q. Do you carry on dredging operations practically all through the year? A. Yes, all the year except in the interior where it gets too cold. We have no winter here to stop us.

Q. What wages do you give to the masters and other officers? A. The master of a large dredge gets \$140 a month for a single shift. The chief engineer gets \$125 for a single shift.

Q. What do you mean by single shift? A. A single shift is an ordinary day's work. On double shift they get more because they are on duty night and day.

Q. What do the wages range from? A. Deckhands, \$45, cooks \$75, mates, \$85, firemen, \$50 to \$60, second engineers, \$100, third engineers, \$75. Our wages are very low compared to what are given by private firms in Seattle, the nearest point to here. There are no dredging firms in British Columbia, but there are in Seattle.

Q. And the wages given in Seattle range higher? How much? A. At least 10 per cent. and some of their men get considerably more than that.

Q. You can make a comparison between wages given by steamship companies here? A. It is entirely different work.

Q. You would not venture a comparison of prices given to your men and what they could obtain? A. Well, I know what the C. P. R. and all these people pay, and we pay about the same as they do.

Q. You don't find the wages so low that you cannot keep your good men? A. No, we generally manage to keep them.

Q. Can you give me any idea as to the cost of different kinds of dredging? A. Yes. Dredging on the Fraser river with an agitator suction dredge costs about 12.02 cents a yard.

Q. What depth? A. You can dredge 40 feet down altogether.

Q. Does not the depth make a difference? A. Yes, but we have a tide here. The average price of dredging on the Fraser with an agitator suction is a big difference from other suction dredges.

Q. What is the other suction dredge? A. That is the scraper suction. It runs from 5½ to 6 cents a yard.

Q. You say that dredging with an agitator suction costs 12 cents and with a scraper suction from 5½ to 6 cents a yard? A. Yes. That is in mud and clay. The agitator will dredge 40 feet with extensions and the scraper suction will dredge 45 feet.

Q. In making a calculation is it for a yard in situ by suction? A. Yes, for the agitator it is in situ, and for the scraper dredge it is hopper measure.

Q. Now in regard to elevators? A. Well, we take it an elevator dredge will run about 16 cents in hard stuff.

Q. In hard clay bottom you mean? A. In hard gravel, boulders, rock and everything.

Q. That is in mixed material? A. Yes. The dipper dredges are our biggest. The cost of dredging with a six yard bucket is I think about 23 cents, dealing with very bad stuff.

Q. It is in mixed material you use that? A. Yes. It ranges from mud to hard pan taken as it comes.

Q. That is dredging to any depth? A. The dipper dredge will work 20 feet in low water and about 35 feet at high tide.

Q. Has any class of material you have mentioned at present cost you more than 23 cents? A. No. I think that is a very fair average.

Q. Outside of solid rock, can you recall any cases in which it has cost you more than these figures? A. Well, this year the dredge *Mudlark* ran to nearly 40 cents in Victoria on account of heavy repairs, but that was quite exceptional.

Q. How long have you been running dredges, Mr. Bayfield? A. About three years here, and I was for two years and a half mechanical superintendent of Montreal harbour works.

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Q. During the three years here this *Mudlark* case has been the worst you have had?  
A. Yes.

Q. Now in regard to rock? A. We have two plants working, a rock breaker and a single drill. We use dynamite and the cost per yard is about \$6. It is very hard rock.

Q. Without the blasting what would the dredging cost? A. About 12 cents a yard. On the *Lobnitz* rock breaker No. 1 the cost per yard is practically unknown on account of the faulty design of the machine.

Q. Could you give me any estimate of the cost of repairs on dredges here? A. Yes. It annually runs about 6.06 per cent. of the total cost, and I am proud of it, considering what we pay for repairs.

Q. What would be a fair figure to reckon as the cost of deterioration? A. That is a question that is hard to answer. We keep our dredges in such good shape that repairs practically cover deterioration. Interest and depreciation I would put down at 12 per cent. on an estimate.

Q. So that 18 per cent in your mind would represent the cost and use of the plant? A. Yes. Our repairs this year ran about \$100,000.

Q. Does any accounting pass through your hands? A. All invoices come to me first and are examined and certified that prices are right. If not they are sent back for correction.

Q. No money passes through your hands? A. Not a cent.

Q. Who handles the accounts? A. The accountant in New Westminster.

Q. Have you any general suggestions to make with regard to the improvement of the service? A. I have many, but it is a big matter, and it is all in details.

Q. Those are in regard to dredging, but what would assist you in making your staff more efficient? A. I don't know, I have a good staff.

Q. Do you contribute to the superannuation fund? A. I never heard of it.

Q. Do you give bonds for the performance of your duty? A. No.

Q. Nor any of your staff? A. Not that I know of.

Q. Do you get any vacation? A. I have had none yet, but I am going to ask for two weeks this year.

Q. You don't know whether you are entitled to any? A. No, I have been too busy to think about it.

Q. Have you any suggestion along these lines that will enable you to keep good men? A. There are a whole lot, but the whole thing can be summed up in a few words, "Leave politics out of it."

Q. In your estimate in the cost of dredging per yard you have merely counted the cost of wages, supplies and repairs? A. Yes, wages, supplies and repairs. Interest and depreciation are the only things omitted, but superintendence is taken in.

Q. You have made a careful calculation with regard to this matter? A. Yes.

Q. You are satisfied you can do the work cheaper than by contract? A. I could do it cheaper.

Q. And the reason you cannot is that you do not have a free hand? A. Yes.

Witness retired.

ST. JOHN, MONDAY, August 5, 1912.

G. N. DUCHARME, Esq., Commissioner, held a sitting in the office of Mr. John K. Scammell, district engineer, this morning.

JOHN K. SCAMMELL, aged 39, sworn and examined,

By Mr. Ducharme:

Q. You are district engineer for the River St. John and tributaries? A. Yes.

Q. Does that include St. John harbour? A. No, the harbour at present is not in my district.

Q. Has it ever been? A. Yes.

Q. When was it taken away from your district? A. A couple of months ago.

Q. Who has that now? A. Mr. Goodspeed has part of it and Mr. Steves the rest.

Q. Could you designate the part that Mr. Steves has? A. He has now the work on the west side of Connolly wharfs and the Courtenay bay work—at least I presume he has.

Q. Courtenay bay is a part of the harbour of St. John? A. Yes.

Q. Has any work been done there? A. They are working there now, they have started on the breakwater.

Q. Has there been any dredging done at Courtenay bay since your period of service there? A. No.

Q. You have been district engineer since when? A. Five or ten years.

Q. Before that you were—A. I was assistant engineer.

Q. In St. John? A. Yes.

Q. Was your district larger then than it is to-day? A. No.

Q. You were assistant to Mr.—? A. Mr. Schewan. When I was first with Mr. Schewan it covered the whole of the province and next time it was divided into the north shore and the eastern and river counties. It was divided eight or nine years ago. Mr. Dey who was the first assistant of Mr. Schewan was on the north shore as district engineer and I remained here as assistant to Mr. Schewan and took Mr. Dey's place.

Q. You know about all the dredging that has been done for the last fifteen years? A. Fourteen years any way, the dredging did not start until after that.

Q. There was no dredging before 1900? A. No.

Q. To whom do you report? A. To the chief engineer, Mr. Lafleur, and the assistant engineer, Mr. Dufresne, the former for work and the latter for dredging. Before Mr. Dufresne's appointment I reported on dredging and works to Mr. Lafleur.

Q. Either contract or government? A. Yes, sir, that was two years ago.

Q. Do you know Mr. Scovil? A. Yes.

Q. What are the relations between him and you? A. I have nothing to do with him.

Q. Mr. Scovil has nothing to do with contract dredging but only government dredging, I presume? A. He has nothing to do with contract dredging.

Q. Only departmental? A. Only departmental, and he has nothing to do with the dredging it is simply with the plant. He is the local superintendent of the plant.

Q. Under whose instructions? A. Mr. Dufresne's. I do not know if there is any one between Mr. Dufresne and Mr. Scovil.

Q. Who would give instructions to Mr. Scovil to do dredging? A. I would, at least I presume I would, we have not had it in for so long, there is no government dredging in this district.

Q. What does Mr. Scovil do? A. His dredging district is entirely different from mine. His dredges cover the dredges for the maritime provinces, that takes in the dredges going to the north shore, Prince Edward Island and Nova Scotia. The only dredge that is in this district at the present time would be the *Fielding* and that is in Mr. Goodspeed's jurisdiction because it comes in the harbour.

Q. But still that is departmental? A. Mr. Scovil has to do with the dredge and not the dredging, he looks after the plant and equipment and the paying of the men.

Q. You receive instructions from the department as to dredging? A. Yes, as to dredging I look after the details of the dredging according to plans which are made in this office. We make the plans.

Q. And they are approved of by the department? A. Not always.

Q. But when they are approved you receive instructions to have them carried out? A. Yes, sir.



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Q. And you supervise the work only so far as the location of the work is concerned? A. Yes, sir.

Q. As to the completion of the work you have nothing to do, is that it? A. Yes, sir, we look after the execution, we have to see that it is properly done, down to place and within the time set out, within the area that the work is set out.

Q. Are you called upon to make estimates for the cost of dredging? A. Yes.

Q. Do you make estimates for departmental dredging also? A. Sometimes, yes.

Q. I suppose you also draught the plans for wharfs, and breakwaters, &c.? A. Yes.

Q. That would be only for your own district? A. Yes.

Q. Then there would be other engineers doing the same work for other districts in this province? A. Yes, there is an officer on the north shore, Geoffrey Stae. Mr. Dey on the south side and in St. John they have Mr. Steves, who was my former assistant, and they also have Mr. Goodspeed who succeeded Mr. Schewan when Mr. Schewan resigned.

Q. Do you think it would be better to have but the one office for the province? A. I think that two would be sufficient for the province, one taking the north shore counties down to say the western limits and the other the remainder.

Q. Instead of three as at present? A. We have four at present, four district engineers.

Q. Have the other engineers the same duties as you? A. Yes. My district takes Kings, Sunbury, York, Carleton, Victoria and Madawaska. We usually call it the St. John river and tributaries.

Q. The harbour is under the jurisdiction of Mr. Goodspeed and Mr. Steves? A. Yes.

Q. Had you the supervision of any public works in St. John harbour before? A. Yes, I had entire charge of the contract dredging.

Q. In the year 1905? A. Yes, in 1905.

Q. Up to? A. Up to March of this year.

Q. Do you remember the contract that was given to G. S. Mayes in 1905? A. Yes.

Q. Where was that dredging done? A. On the west side. The first contract was in Rodney slip, St. John west, formerly Carleton.

Q. Did you make an estimate of the cost of that dredging? A. No, when that contract was let it was let with Mr. G. P. T. Schewan in charge. He was engineer in charge at that time.

Q. Under Mr. Hyman? A. Yes.

Q. Have you tables to show the kind of dredging that would be done then and since? A. Yes.

Q. Would it be ordinary or extraordinary dredging? A. I would call a portion of it extraordinary.

Q. That was paid for at 55 cents a yard? A. His first contract was 55 cents.

Q. The first tender was 50 cents, but it was never acted on? A. I think so, I do not recollect about that. 55 cents was the only thing I had anything to do with. I had nothing to do with the 50 cent rate at all.

Q. You never put an estimate on that at all? A. No, that would come under Mr. Schewan's jurisdiction at the time.

Q. From your present knowledge do you think 50 cents too much? A. That is questionable. There is dredging to do in St. John harbour that if I had a plant myself I would not want to put into it under 50 cents if I met with the same conditions as he did over a portion of his work. There are other portions of St. John harbour where 50 cents would be too much, there is no doubt about that, and it would depend of course upon the plant available.

Q. Have you any knowledge of the Gaspereau river dredging? A. Yes.

Q. Would that come under you? A. No, the Gaspereau came under Mr. Stead.

Q. You do not know the kind of work that was done there? A. Yes, I was visiting on the north shore when I was Mr. Schewan's assistant. I remember the character of the dredging, I know it was an exposed place particularly in the fall of the year.

Q. Had you ever occasion to see how the greater quantity of dredging was done? A. On any work?

Q. Yes, on any work? A. Yes, I would like to show you just what we do in that connection.

Mr. Scammell exhibited a plan of a scow and explained the system of measuring and checking the contents. He added: We also visit the dredge frequently and there is an inspector constantly on the work.

Q. How frequently? A. Two or three times a week.

Q. Do you also make estimates whenever new works are needed? A. Yes.

Q. How do you make these estimates? A. Surveys are first made and plans prepared, soundings made and from this an estimate of the quantity to be removed is arrived at.

Q. When the plans are made and the soundings got can you also give the approximate cost of the work? A. Yes.

Q. Is it as a rule done? A. Yes.

Q. When the department estimates the cost of certain works in your district is that estimate based on your own figures? A. I would not like to answer that, I have no way of knowing that.

Q. Are you ever asked to make estimates? A. Yes.

Q. Do you always do that when you prepare a plan? A. Always.

Q. And send that to the department? A. Always.

Q. You are doing some work just now in the St. John river? A. Yes.

Q. Do you know the prices paid for the different works? A. Yes.

Day's Landing, 35 cents, New Brunswick Construction Co.

Mouth of Nashwaak, 40 cents, St. John River Dredging & Construction Co.

Fredericton, 23 cents, New Brunswick Construction Co.

Ox Island, 24½ cents, New Brunswick Construction Co.

Whitehead, 30 cents, New Brunswick Construction Co.

Reed's Point, 30 cents, New Brunswick Construction Co.

Ferry point, 19½ cents and \$4.90, New Brunswick Construction Co.

The figure of \$4.90 is for the removal of an abutment heavily ballasted, the old Perry Point bridge.

Q. Was any dredging done in St. John river in the last few years? A. Yes, last year there was and I think the year before also.

Q. You were paying the same prices this year? A. No, it was higher before.

Q. Do you remember how much it was? A. Fifty cents per yard scow measurement, that was the first work that was performed on the river.

Q. Who had that contract? A. The Maritime Dredging Co.

Q. You have more work this year than in the year past? A. I think there are more places but not the yardage.

Q. Is there anything you can suggest in the way of improvement besides what we have spoken of? A. In connection with the departmental dredging plant, before a work is properly completed a dredge may be called away to another district or another place in the same district to perform work. That is not right.

Q. Has this been done? A. Yes, it has been done. I think Mr. Dufresne is covering that in such a way that it is gradually ceasing to be done.

Witness retired.

The Commission adjourned.

ST. JOHN, N.B., Tuesday, August 6, 1912.

G. N. DUCHARME, Esq., commissioner, held a sitting at the office of Mr. Fred. G. Goodspeed, district engineer, this morning.

FRED. G. GOODSPEED, aged 31, district engineer of the Public Works Department, District of Southern New Brunswick, sworn and examined:

*By Mr. Ducharme:*

Q. What counties have you? A. Amherst, St. John and Charlotte. St. John, not including wharf building in St. John harbour.

Q. The Courtenay bay work is under you? A. No, that is wharf building. I do not know how the dredging in Courtenay bay will be done. I at present have charge of all dredging in St. John harbour but none is being done in Courtenay bay.

Q. How long have you been in this position? A. Since June 25, of this year.

Q. Prior to that? A. I was district engineer in Northern Alberta.

Q. How long were you there? A. About 19 months.

Q. And prior to that? A. I was assistant engineer here.

Q. So practically you have been here so many years less one and a half years?

A. Yes.

Q. How long have you been here altogether? A. From May, 1907.

Q. You were less than one and a half years in the northwest? A. Yes.

Q. Is there any dredging going on now? A. Yes.

Q. Much? A. There is considerable in my district.

Q. Are the prices lower this year than last year? A. The prices on St. John harbour work I believe are the same. I was not here last year, it is difficult for me to say, but I think it is a continued contract.

Q. How much this year? A. 39½ cents per cubic yard, class B material.

Q. Who is doing the work? A. The Maritime Dredging & Construction Co. We also have one departmental dredge at work here.

Q. You had nothing to do with the giving out of that contract? A. No.

Q. Had you anything to do with the giving out of the Gaspereau contract? A. I had nothing to do with the Gaspereau contract.

Q. Do you know when the contract for St. John was given out to the Maritime Dredging Co.? A. I may have been here, but it was not in the district I was then in.

Q. Is 39½ cents a fair price or is it too large? A. 39½ cents, I believe is a fair price.

Q. Did you not estimate that at 20 cents? A. I cannot tell that, it may have been estimated at 20 cents. Of course the contract has been going on for I think three years previous to my having anything to do with it, and as all the correspondence of the district has been handed to me in the last three weeks I have read it over as much as possible, but I have not had time to go over all of it. There are 39 files of correspondence.

Q. When you took over the office you were given a certain quantity of office papers and these are all in your possession? A. I suppose they are all in my possession, all are in my possession that were handed over to me, and I know of none being withheld.

Witness retired.

CLARENCE McN. STEVES, aged 28, district engineer, St. John harbour construction, sworn and examined:

*By Mr. Ducharme:*

Q. Have you anything to do with the dredging? A. No, not at present.

Q. How long have you occupied this position? A. I was appointed as resident engineer on the construction of wharfs on the west side on the 23rd of November last year as resident engineer, and on the 1st of April I was appointed as district engineer.

Q. Before that time? A. Before that time I was assistant engineer to Mr. Scammell.

Q. Since when? A. September, 1908.

Q. And prior to that? A. I was outside the government service. St. John harbour includes Courtenay bay.

Q. But you have nothing to do with dredging in either? A. Not at present. I suppose I will have the dredging when it starts in Courtenay bay. So far there has been simply the construction of the breakwater. I will have charge, as far as I know, of the dredging in Courtenay bay when it starts.

Q. In 1908, when acting as assistant to Mr. Scammell, had you anything to do with dredging? A. Merely making wharfs and of the work as it progressed. I had no direct charge of work except under him.

Q. So you do not know much about the former contract in dredging in St. John harbour? A. Nothing at all with reference to contracts. The St. John harbour dredging was turned over to me on the first of April, and I had it until about three weeks ago when it was transferred to Mr. Goodspeed.

Q. Who is doing the work there? A. The Maritime Dredging & Construction Company.

Q. What is the price? A. 39½ cents.

Q. Is that not too much? A. Well, under the conditions they have to contend with here, I do not think so. The strong tides and currents they have here and three or four months of rough weather in winter it cuts down their output considerably. For several hours a day, especially in early spring, they have to stop work.

Q. Do they work in the winter? A. Oh, yes, but the rivers here make the current very strong.

Q. Have you any knowledge of the dredging done in 1908 in St. John harbour? A. No, sir.

Q. Costing 90 cents a yard? A. No, sir.

Q. You have nothing to do with departmental dredging? A. No.

Q. What are the works going on now? A. The construction of deep water wharfs in west St. John.

Q. What is the amount of the contract? A. About \$780,000.

Q. How is that work being done, with wooden piles or cement? A. Timber crib work substructure with concrete superstructure.

Q. Do you suffer here from the teredo? A. No, not here.

Q. They would be troubled with that in Nova Scotia? A. I understand yes, although I do not know from personal experience.

Q. What sized wharf are you putting up there? A. About 2,000 lineal feet of key wall to be built under the present contract.

Q. Besides the wharf? A. The concrete work is 48 feet wide on the bottom and tapers up to 8 feet on top of the concrete.

Q. How long is that wharf? A. About 2,000 feet. The length of the berths gave about 800 feet each. The first face is 300 feet along the harbour, parallel with

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the harbour. It runs in towards the shore 400 feet, to the bulkhead, and the bulkhead is 300 feet wide and then there is a detached portion preparatory to the construction of a future pier which is 420 feet wide.

Q. Making altogether about? A. The total length of the new work under contract is about 2,000 feet. On the east side there is Courtenay bay.

Q. You have no draughting here? A. Except on progress work in connection with construction.

Q. To see that the plans are carried out? A. And to see that I have the data to work out the progress estimates.

Q. Have you to do also with public buildings? A. No, sir, just the wharfs and breakwaters.

Q. Can you give the price of the Courtenay bay dredging per yard? A. The contract price is \$7,500,000. That covers dredging and the construction of three piers and the breakwater.

Witness retired.

The Commission adjourned.

ST. JOHN, N.B., Thursday, August 8, 1912.

G. N. DUCHARME, Esq., Commissioner, held a sitting in the office of Colonel Armstrong this evening.

COLONEL ARMSTRONG appeared as counsel to assist the commission.

GERSHON S. MAYES, sworn and examined by Colonel Armstrong.

Q. You live in St. John? A. In the suburbs of St. John.

Q. When did you first become interested in dredging? A. In the present St. John dredging about seven years ago, but I was interested in dredging before.

Q. You knew that tenders were asked for for dredging? A. Yes, in the last of June, 1905, about that time.

Q. What did you do in consequence of that? A. I tendered at fifty cents a cubic yard—my tender went in about August some time. I prepared to tender by looking up prices, and my tender was not accepted, my deposit was sent back to me.

Q. It was rejected, was it? A. It would hardly be rejection, because there were no others, but it turned out that they wished to have others to have more competition.

Q. Then they called for other tenders? A. Yes, sir, with the clause that American dredges could be brought in for the sake of getting more tenders.

Q. Did you put in a tender a second time? A. Yes.

Q. What figure? A. Fifty-five cents a yard.

*By Mr. Ducharme:*

Q. New tenders were called? A. Yes.

*By Col. Armstrong:*

Q. What was the first tender? A. Fifty cents. The tender I made out was made out for fifty-five cents. I only tendered twice.

Q. Why did you increase the price to fifty-five cents? A. Mr. McAvity insisted on fifty-five.

Q. Your first tender was when? A. I see in the newspapers here that it is stated as June. I think that is an error, I think it came out afterwards. It was later than June, but that can easily be got precisely. I am not prepared to say that absolutely. When I say the tenders I mean that I filled out a printed form and put it in and

put my name to it and sent a cheque with it. The second tender I did that it was 55 cents.

Q. You put in a second tender and withdrew the first? A. No, I did not withdraw anything.

Q. Then were you willing to go on and do the work at fifty cents? A. Oh, yes.

Q. Did you put in the tender the second time at fifty-five cents? A. I went to Ottawa to meet Mr. McAvity.

Q. Why did you go to meet Mr. McAvity? A. Because he wished me. I asked him first to introduce me by letter to Mr. Hyman.

Q. You might start from the beginning. Why did you go to Mr. McAvity? A. Because I wanted some one who knew Mr. Hyman.

Q. Who recommended you to go to Mr. McAvity? A. Dr. Pugsley.

Q. When was it that Dr. Pugsley recommended you to go to Mr. McAvity? Before you had the conversation with Mr. McAvity? A. Yes.

Q. Before you had any idea of seeing him? A. Before I had the slightest idea. It was brought about by the idea of my asking Dr. Pugsley for a letter to Mr. Hyman and he said he did not know Mr. Hyman very well but that Mr. McAvity did.

Q. Who was Mr. Hyman? A. He was Minister of Public Works at that time.

Q. With relation to the conversation you had with Dr. Pugsley more particularly. That is William Pugsley, afterwards Minister of Public Works? A. He was then the Attorney General of this province.

Q. He was then in the provincial government? A. Yes, I met him coming out of the post office as I had just received the letter from the department returning my cheque, just a regular form which says: "I hereby return your cheque for your tender," &c. It did not state why it was rejected. I was reading it when I said: "How do you do, Doctor." "How do you do Mr. Mayes." He said: "Now Mr. Mayes, I am sorry that I cannot give you that money back that you have let me have."

Q. That was a private transaction? A. Yes, I had paid him in advance and he confessed he should pay it back to me which he never has.

Q. How much was that? A. \$1,350. This was besides \$2,000, the amount of a note which I gave him on the 16th of October, 1905, which was subsequent to my getting the contract. The contract was awarded on or about September 6. Then I said: "Doctor, never mind that, I am going to ask you for a favour." He said: "Yes?" I said: "Do you know Mr. Hyman, Minister of Public Works?" "Well," he says, "no, I just met him," but now; he says, "do you know George McAvity?" I said "Yes, I have known him twenty-five years." He says: "You go and see George, George and Charlie Hyman are great friends, and you get him to write, he will introduce you." I said: "Thank you Doctor, I will go and see him." I went that day. It was in the morning. I went afterwards to see Mr. McAvity but he was away that day. I went the next day and saw him.

Q. Where did you see him? A. It was at his office and I asked him if he knew Mr. Hyman. "Oh," he says, "very well." "Well," I said, "I have tendered for work and received my cheque back and new tenders were being asked by the department, advertised in the evening papers published on each of those two nights, as well as the night before I saw Mr. McAvity, as also the night before I went to see Mr. Pugsley, and that I did not want to go to the trouble of putting up \$20,000 deposit unless I knew that there would be a contract awarded to somebody and I wanted him to give me a letter of introduction to Mr. Hyman if he would be kind enough, and I would go up and see Mr. Hyman and see if the department intended to carry on the work or not." He said: "When are you going?" I said: "I will go Monday night." He said: "I am going with my wife on Saturday night to spend Sunday in Montreal, I will meet you in Ottawa. When could I see you there?" I said: "Could we meet there Tuesday?" He said: "When are tenders received?" I said: "On Wednesday." He said: "All right, I will meet you at the Russell House at two o'clock on Tuesday

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afternoon. "He said: "Where do I come in on this." I said: "What do you mean?" He said: "Do I get anything out of this?" I said: "Would you like to get in in tendering?" He said: "I would not mind." I said: "I shall be glad to have you put \$20,000 or \$40,000 into it with me as long as I will be managing owner." He said: "What will it cost?" I said: "Well, considerably over \$100,000." "Well," he said, "we can talk about that after we come back." I said: "Mr. McAvity I shall be pleased to have you or your friends take an interest in the business," and I named over four or five of leading Liberals whom I thought would wish to get in to take an interest in the company. I named Mr. John E. Moore, Mr. Percy W. Thompson, Mr. T. H. Esterbrookes. He said: "We will see about that after we come back." Of course the idea was whether we would get the contract or not.

Q. Was Mr. McAvity aware when you went to see him of the business that you were coming about? A. I believe he was. He did not tell me so, but I believe that Dr. Pugsley told him that I was coming to him. I could not swear to that.

Q. It came out later that he knew? A. Yes, but I cannot swear to that, I am only on guess work there but I have no doubt at all, none of us have any doubt.

Q. What do you found your belief on? A. Something that came out in conversation. However, I could not swear to that. We met at the Russell House, Ottawa, on Tuesday, September 5, 1905, at 2 o'clock p.m. We were to see Mr. Hyman at 2.30 o'clock p.m. Mr. McAvity introduced me to Mr. Hyman. We talked a little while and Mr. McAvity went out.

Q. Did you talk about the business? A. Yes, whether they intended to do the work in St. John harbour or not, and how many yards there were to be done and I proposed then if the government would guarantee me 400,000 yards to warrant me bringing a dredge of the type I was after, a costly dredge, from the United States, I would tender for it, but otherwise I would not bring a dredge here on a small amount of dredging.

Q. Did you mention the sum? A. The cost of the dredge? Oh no. Mr. McAvity and I went to Mr. Hyman's office. Mr. McAvity went inside and saw Mr. Hyman before I went in. Then Mr. McAvity came out and took me in and introduced me. We then conversed over the matter and I asked for the 400,000 yards because I wanted to be sure of getting a contract of that extent before I sent and bought a dredge in the United States of the kind which I thought necessary for that work. Then Mr. Hyman called in his chief engineer, Mr. Lafleur, and after conversation between the four of us, Mr. Hyman instructed Mr. Lafleur to give me a letter stating that the government would guarantee up to the extent of 400,000 cubic yards. By the direction of Mr. Hyman, Mr. Lafleur took me to his office and in my presence gave instructions for the writing of a letter to me stating that the government would guarantee up to 400,000 cubic yards of dredging if I got the contract. Before I left Mr. McAvity and Mr. Hyman it was understood between Mr. McAvity and me that after seeing Mr. Lafleur I should go back and see Mr. McAvity in a room near Mr. Hyman's office. After I got through with Mr. Lafleur I went back to Mr. McAvity in pursuance of this arrangement and saw Mr. McAvity.

Q. What took place then? A. When I met Mr. McAvity at 3.30 o'clock I told Mr. McAvity that it was all right, that I was going to tender. Mr. McAvity said, "Here is something I wish you to look at," and he pulled out an agreement. I said, "Why where did you get this?" "Oh," he says, "there are lots of them up here." I said, "I do not know anything about this, I did not agree to do this." I said, "Why not get back to St. John." We had talked in St. John about him going in in the dredging as I mentioned before. When he presented this document to me it was to me a shock, because nothing like it was anticipated by me. The document was headed, "Memorandum of Agreement." The purport is that I was to pay him anything over and above fifty cents per yard. I had in St. John told Mr. McAvity that I had tendered at fifty cents and was going to tender again at fifty cents a yard. That was almost the first question he asked me.

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Q. Did he suggest then that you should increase it? A. He pulled out of his pocket an agreement of which this is a copy: (Producing a document which was filed and marked as exhibit 1). This agreement would bind me, if I signed it, to give him anything over and above fifty cents a cubic yard which I might receive. It mentioned fifty-five cents per cubic yard as the price of my tender instead of fifty cents which I told him I was going to tender at and which I intended to tender at.

Q. Did you speak to him about the increased price? A. As soon as I read it I said, "Mr. McAvity, where did you get this?" He said, "Oh I got it up here, there are lots of them." I said, "I cannot agree to that." He said, "Why not?" I said, "It is all one-sided. We did not talk about this before, it is new to me." He said, "What do you want me to do?" I said, "There is nothing there binding you to do anything," and I said, "The time is nearly up, I cannot do it." He said, "What do you want me to do?" I said, "I do not know, I am not a lawyer." He said, "I will do anything that you want me to do." I said, "I am not a lawyer, I cannot think of anything, only I cannot agree to this." "Well, Mayes," he said, "you better." I paused a moment, and then I said, "Well, Mr. McAvity, I shall write something, you must do something if I have to make this tender to suit you. I then wrote a little memorandum whereby he promised to use his influence with the Minister of Public Works or the officers of the government at Ottawa, to increase the number of yards to be dredged at the place. He said, "I will sign that, it is not worth the paper it is written on, but I will sign it."

*By Mr. Ducharme:*

Q. Did he sign it? A. He signed it there and then. We have the original somewhere.

*By Col. Armstrong:*

Q. Was anything more said to Mr. McAvity at that time? A. Nothing more was said. I said, "It is only a few minutes to make out the tender," which I understood had to be in at four o'clock, and I filed it in at fifty-five cents and took it to the post office where I learned that they would be in time if mailed before 8 o'clock that night. Accordingly before that hour I put it myself in the post office at Ottawa and enclosed a certified cheque which I took up with me, for twenty thousand dollars, made payable to the Minister of Public Works.

*By Mr. Ducharme:*

Q. You tendered at fifty-five cents on account of this agreement you had signed with Mr. McAvity? A. Yes, sir.

*By Col. Armstrong:*

Q. You had gone up with the intention of putting in a tender at the former price of fifty cents? A. Fifty cents. Then the next day I was informed by Mr. Hyman, I called on him at his office at Ottawa, and was informed by him that my tender was the lowest tender.

Q. Did he say you would get the contract? A. Yes. A letter was given me, I received a letter from Mr. Lafleur stating that in the event of the contract being awarded to me the department would guarantee that I would have at least 400,000 yards of dredging to do. The prices were fifty-five cents per cubic yard in class 2, and \$8.60 in class 1 for a quantity not exceeding 3,500 cubic yards, any additional quantities to be paid for at the rate of \$5 per cubic yard.

Q. Were you asked to sign that? A. Yes, "I hereby agree to the above mentioned conditions." This was in duplicate and I signed a memorandum at the foot stating that I agreed to the above conditions.

Q. What was class 2? A. Class 1 would be boulders and class 2 would be all other material.

Q. Did you see Mr. McAvity again after signing that on Tuesday or the next day? A. I think so, yes I did, and he knew from either Mr. Hyman or myself that I



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had received the contract, and I then left for Boston at three o'clock that afternoon. Mr. McAvity intimated to me that his friends would like to come in to the proposed company and we agreed to meet together in St. John and talk this over upon my return from Boston. I went to Boston and arranged to get the dredge made ready to be towed to St. John.

Q. You bought the dredge? A. Yes, I arrived home in a few days. Mr. McAvity was there and I asked him if his friends were going in. He told me that he was trying to see Mr. Moore and expected to see him in a few days. I continued to talk about the subject for about a month and finding that nothing came of it I abandoned the idea of a company, and I had to raise the money and pay for the plant myself, no one assisting me at all, Mr. McAvity never putting in one cent in the business.

On October 15, 1905, I received a telephone message from Dr. Pugsley asking me to call and see him the next day.

Q. Was the dredge working then? A. The dredge had just got to work about a few days. He said, "Mr. Mayes, I am in need of money and it will be nice if you could help me." I said, "Doctor, what for? You know I have paid you some \$1,300 in my second case against Connolly, which you have in a way offered to pay me back, because you have said that Mr. Emmerson was so slow in bringing up the matter and I have not the funds. I am carrying a big load and am paying large amounts to the Bank of Montreal for overdrafts." Just then Mr. George McAvity came in and Dr. Pugsley said that Mr. Mayes' business was getting along so well that a little money would be very acceptable. I again stated that I was carrying a big bank load and thought I could not see why Dr. Pugsley should ask me for money. I said, "What do you want it for, a loan?" "Well," said Dr. Pugsley, "you see it would be nice to have some one who could do something for you while in Ottawa." There was always something to be done, and if I could not give him a cheque that I could give him a note for three or four months. I asked him how much, and he said, "Oh, about \$2,500 or \$3,000." I said, "That is too much, but I suppose I will let you have a note for four months for \$2,000." Dr. Pugsley then made the note out and I signed it.

Q. Why did you give him the note? A. Because I was in terror of him in a way, the two of them were there, Mr. McAvity. I asked him if it was a loan or not, and I felt that it was true, that Dr. Pugsley was a man of power and I was rather afraid that I was intimidated and I had better give it to him, that he could help me and perhaps if I did not do it he would be an enemy to me.

Q. He was a man who had influence at Ottawa? A. Yes, sir.

Q. He was a strong Liberal, and could make it uncomfortable for you? A. Yes, sir, I felt that strongly.

*By Mr. Ducharme:*

Q. Did Dr. Pugsley ever pay you that money? A. No, sir, and never intimated he would.

*By Col. Armstrong:*

Q. Did you ever speak to him about it? A. During the discussion, and from what appeared in the papers, there was enough intimation to him that I wanted it. I never spoke to him afterwards about it.

*By Mr. Ducharme:*

Q. The \$2,000 was never paid back to you, nor the \$1,350 already mentioned? A. No, sir, neither has been paid me since.

*By Col. Armstrong:*

Q. And he has never got any work for you since? A. He has never done any work for me since.

Q. Was the \$2,000 due to him at that time? A. No, sir, he owes me to-day the \$2,000 and the \$1,350 with interest.

*By Mr. Ducharme:*

Q. Was that note given to Dr. Pugsley in the presence of Mr. McAvity? A. Yes, sir.

Q. Has Mr. McAvity made any remark to you about this payment? A. I am leading to it. Dr. Pugsley said he felt sure he would give me good return for it or pay it back. I went out and was followed shortly afterwards by Mr. McAvity who asked me what in the devil I gave Pugsley so much for. He got \$1,000 more than enough. I asked him why he had not said so, and he replied that he could not interfere, but that it was pretty hard to ask for money. I said yes, and what did he do it for, and Mr. McAvity said that he (McAvity) had arranged with Mr. Hyman for the contract and that Dr. Pugsley had not done anything, he asked, Why should Dr. Pugsley ask for that \$2,000, that Dr. Pugsley had not done anything.

*By Col. Armstrong:*

Q. When did you make the first payment to Mr. McAvity? A. On the 29th of January, 1906.

Q. How much was it? A. \$4,000.

Q. Why did you pay it to him? A. Because he asked me for it.

Q. By letter or verbally? At that time I think it was verbally. I was doing business with Mr. McAvity in other ways. I bought a great deal of pipe and got work at their foundry, and did a lot of work. I turned a great deal of work into them and was at his place of business mostly every day and frequently he would call me in and in that way I saw him and he would ask verbally, he would speak about it, but on one or two occasions I gave him other amounts as I received it without his asking. But practically it was either in consequence of his writing or my speaking to him that I paid him. That would relate to all payments prior to the last one. The payments I made to him were as follows:—

January 29th, 1906.....	\$4,000
July 6th, 1906.....	2,000
August 8th, 1906.....	2,000
August 24th, 1906.....	2,000
October 20th, 1906.....	4,000
October 30th, 1906.....	2,000
November 23rd, 1906.....	2,000
April 6th, 1907.....	4,300
August 1st, 1907.....	5,000
November 12th, 1907.....	8,633

making a total of \$35,933 paid to Mr. McAvity. In the summer of 1907, in August of that year, Mr. Pugsley became Minister of Public Works, and afterwards in November, 1907 the Dominion Dredging Co. were awarded a contract to dig on the 600 foot extension at 90 cents per yard. Prior to this tenders had been called for the dredging of 100 feet from the shore end of my contract to Union Street. This dredging consisted largely of slab and edging which made it difficult to dump out of the scows, and I tendered at 90 cents and was awarded the contract as the lowest tenderer. The Dominion Dredging Co. were awarded this 600 feet extension at 90 cents a yard, the same price as I had for the 100 feet to Union Street. This 600 foot extension was easy to dredge. It was the sawdust from the river which was very easy to dig. I did not get an opportunity to tender for it and no tenders were invited for it as far as I know. I believe no tenders were asked for for this reason, that Mr. Emmerson had come here a short time previously and had met the Board of Trade and had said that the government would buy a dredge, and that he had got or would get \$200,000 appropriated by the government to purchase a dredge for St. John harbour. He applied to me to refer him to parties having a proper dredge

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to do the work, which I did, and I gave him the name, among others, of a dredge on which I at that time had an option, to tender for the work and which the government found on report of its officials were unfit for the work. Mr. Stewart acquired that dredge subsequently and brought it down and did the work here with it. It was No. 4 dredge.

Q. How soon after you recommended that particular dredge did that particular dredge come down here? A. It came here prior to the 1st of July.

Q. Not a month? A. No., that would be four months afterwards. That particular dredge was purchased by Mr. Stewart, of Ottawa, of the Dominion Dredging Co.

Q. What Mr. Stewart was that? A. Mr. R. Gordon Stewart, of Ottawa, a son of Mr. Robert Stewart, then member of parliament for the City of Ottawa. The work was done under the name of the Dominion Dredging Co., but Mr. R. Gordon Stewart was the manager of it, and was here nearly all the time actually superintending the work.

Witness retired.

The Commission adjourned.

St. JOHN, N.B., Friday, August 9, 1912.

G. N. DUCHARME, Esq., Commissioner, held a sitting in the office of Colonel Armstrong this morning at Ten o'clock.

GERSHON S. MAYES (re-called):

The WITNESS.—Resuming where I left off last night, the Dominion Dredging Co. were working on the 600 foot extension of the Rodney slip work. My contract was for Berth No. 5, Rodney slip, up to and into Union Street, and what I undertook to do was particularly hard on account of there being a great many boulders and a lot of hard pan. The 600 foot extension was an extension of my contract. It was on the second contract into Union Street that I got the ninety cents a yard.

*By Mr. Ducharme:*

Q. Would you kindly explain the three contracts to which you have referred?

A. My first contract was for dredging commencing at a point 100 feet from the edge of Union Street outward 500 feet, taking in Sand Point slip, to a depth of 33 feet below low water. That turned out to be a boulder district and hard pan.

Q. What price had you for that? A. For that—55 cents except for boulders over two cubic yards. The majority of the boulders went in as soil because they were less than two yards. The total amount of money I received for boulders was very small in proportion. My second contract consisted of digging 100 feet further inward which removed Union Street. The dredging there consisted mostly of heavy slabs and edgings which would not dump out of the scows, causing great delay and difficulty and therefore I had to raise my price to ninety cents per cubic yard. The third contract was for the dredging of an extension of 600 feet out from the outer end of my first contract towards the harbour. This contract was awarded eventually to the Dominion Dredging Co., but prior to their coming in, my dredge was put on by the government to dredge until the Dominion Dredging Co.'s dredge was ready which was about the 1st of July, 1907, and I dredged about six weeks.

Q. How much did you get for that part of the work? A. Ninety cents.

Q. You charged the price that Mr. Stewart was to get? A. Yes, ninety cents.

Q. What kind of dredging was it? A. It was splendid dredging material, easy to dredge and easy to dump, the finest we had yet. It was extremely remunerative at that price. The actual cost would be about twenty-five cents per cubic yard. The Dominion Dredging Co. began work on the 1st of July, 1907, and I was ordered off the day before to go back to the fifty-five cent dredging on my own contract. I had been at work about five or six weeks on the extension when I was ordered off. Still later, after the Dominion Dredging Co. had completed their 600 foot extension, it was found necessary to dredge beyond that into the harbour. The total amount was estimated at 240,000 yards. At Mr. Pugsley's invitation Mr. Stewart and I went to his office, and Mr. McAvity and the engineers, and we were asked if we would agree to do the dredging beyond this extension at the same price, namely, ninety cents a yard. I said I would be pleased to do so, we both acquiesced, and Mr. Pugsley said we could do the work without tenders, and it was then and there agreed between us all that we should each do about one-half. The total was estimated at 240,000 cubic yards.

Q. How was it that you only did 38,000 cubic yards? Your machine was as capable as the other? A. Just the same, sister vessels.

Q. Why did you not do as much? A. They would not allow us, the other man put a dredge on and forced us off, and they had Mr. Valiquette down and he said I was over the line. It was all fixed up between them. The lines were drawn by Mr. Scammell, the engineer here to indicate the one-half I was to dredge, and the one-half the Dominion Dredging Co. was to dredge. I thought the division was not fairly made, and I called attention to it and protested and continued to protest. Then Mr. Valiquette was sent down and he confirmed the line as laid down by Mr. Scammell. I hired an engineer named Holt, and he made figures that showed they were wrong but he was not listened to.

Q. Did he meet Mr. Valiquette and Mr. Scammell? A. Yes, the engineers met together and Mr. Holt made a report stating where he thought the division line should be moved to, and Mr. Valiquette said no, he could not do it. They spent several nights together going over the figures and the results were that I was paid for 38,000 yards. They got the balance.

Q. How much was that? A. It was estimated that there was 190,000 or 200,000 cubic yards in the whole job. So far as I know no tender was asked for the contract for the 600 foot extension; it was given to Mr. Stewart at ninety cents a yard. When I was sent back to do the cleaning up of the 55 cent work it was very difficult by reason of it being so deep that we could not work more than one-half the time. Besides there were very many boulders there, and the engineers and others about this time made it very difficult for me to go on with the work, showing plainly that they wanted to get clear of me.

*By Col. Armstrong:*

Q. You have spoken about this 600 foot extension. Have you ever considered what would have been a fair price? A. Fifty cents.

Q. There would be good profit in that? A. Good profit.

Q. It would cost about what? A. Twenty-five cents to thirty cents.

*By Mr. Ducharme:*

Q. That is for the 240,000 cubic yards? A. And also for the 600 foot extension.

Q. Was the 240,000 cubic yards better than the 600 foot extension? A. It was about the same, it was in deeper water. The dredging was getting more shallow. In November of that year they pushed me so hard that I would not pay any more money to McAvity, and I wrote this letter.

(Letter produced and filed as Exhibit No. 2).

*By Col. Armstrong:*

Q. How did the payments for your work come on? A. They were coming on once a month.

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Q. Towards the end of 1907 they came on slowly. Do you think this could have been due to the appropriation having run out? A. Yes, and I wrote a letter of which this is a copy to Mr. Pugsley dated November 23, 1907.

(Letter produced and filed as Exhibit No. 3).

Prior to my letter I saw Dr Pugsley and asked him if he would let me off the balance of my contract at fifty-five cents a yard. He said he would recommend it if Mr. Valiquette would recommend it.

Q. Did he say anything about that time about your not having paid Mr. McAvity? A. I find by reference to my diary that on October 26, 1907, I saw Dr. Pugsley and conversed with him about the dredging, and he advised me that Mr. McAvity and Colonel Baxter and myself should get together and he would have an engineer from Ottawa, and Mr. Holt re-measure the work. He left for Ottawa that night. On the 30th I wrote to Dr. Pugsley that I had sent a statement to him and Mr. Valiquette asking for fair treatment. I was practically driven off the work by unfair measurements, stating that I had received my proportion when I had not. During this time Mr. Pugsley would ask me if I had fixed up with Mr. McAvity. In one case where I knew I had not, I said I have seen him but I have nothing to say to him. I find on reference to my diary that on November 11, I had an interview with Dr. Pugsley and he told me to write him with reference to the measurement. He also thought I had better fix up with Mr. McAvity. With that I said I would. I find on reference to my diary that on the 12th day of November, 1907, I saw Dr. Pugsley three times *re* George McAvity's payment, and also phoned him at 5.45 o'clock and found him at his office getting into a coach to go to Ottawa, and told him that I had fixed up with Mr. McAvity.

Q. Did you go afterwards on that day and fix it up with him? A. No, I told him I had fixed up with Mr. McAvity. I had previously paid on the same day to Mr. McAvity \$8,633, which was all he said was due to him at that time. That was all that he asked me.

*By Mr. Ducharme:*

Q. What would be the reason that you owed him this amount? A. It was his claim that I owed him and I took his word for it because he said that he had been to Ottawa, or had got the returns from Ottawa and the amount due me by the government, and of course ten per cent of that he took. He asked for it and he got it. This was the last payment that I paid him.

*By Col. Armstrong:*

Q. Did he do anything to earn this money? A. Not an atom except to see Mr. Hyman at Ottawa. The expense of going to Ottawa from Montreal, and possibly he might charge for going to see Dr. Pugsley with me. As far as I know he did nothing for me except to go to Ottawa on the occasion of obtaining the first contract, and he went some time afterwards to see Mr. Pugsley about it. At one time in giving a cheque to Mr. McAvity he stated that he was sending some of this to assist Mr. Hyman in an election and there were other ways that he was dispensing it. That is only in reference to one cheque. I do not know about the others, he mentioned that. In the fall of 1907 I had a conversation with Dr. Pugsley in the presence of Mr. J. B. M. Baxter with reference to the unfair treatment regarding the division of the dredging, and I complained strongly that Mr. McAvity was not doing anything in the way of assisting me and that I had paid him a large amount of money which I considered was unfair, and I said: "Dr. Pugsley you know that Mr. McAvity has received a large amount from me." He said: "Oh, Mr. Mayes, you must not tell me anything about that now, I am a minister." Mr. Baxter heard that. That is why I mentioned that, it was in the presence of Mr. Baxter.

Q. After you made the last payment to Mr. McAvity did any good result come from it? A. None at all. They knew when I wrote my letter of the 23rd of December that my work was completed, it was chaos then with me.

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Q. When was the work finished? A. July of next year. I wanted my money. On the 24th of July I wired the minister that my contracts were completed and that the engineer in charge had given a certificate. I was then entitled to receive the balance of all moneys claimed. Not receiving the money, I saw the minister on the 20th of August, in St. John. After waiting a long time I saw him. He told me he had received a telegram from George McAvity not to pay me the balance of the contract until I had paid him. I said, is that the reason I have been waiting for my back pay that he (Dr. Pugsley) had promised to give me what he was holding back three months ago. He said he had received my letter asking for it, but he had better retain it until I had fixed up everything with George McAvity, and advised me to see him right away. I asked him how much McAvity wanted, and he said he would find out. He asked me to see him again at 9.30 o'clock to-morrow. On the next day, the 21st of August, I saw him again. He wished me to see George McAvity and get things straightened out. He was most anxious. I told him I had met McAvity a dozen times this summer and while he had spoken in a friendly way, he never asked me to see him or talk to him. I suggested sending Mr. Baxter in my place. He said, yes, and telephoned to George McAvity that I was in his office, and that Mr. Baxter would go down and see him (Mr. McAvity) for me, and he hoped that things could be arranged without a suit between us. We then had some conversation about the error which I claimed had been made in the estimates, and later I left, and then I hunted up Mr. Baxter.

Q. Did you go with Mr. Baxter? A. I found him at a meeting in the York Theatre on newspaper business. Mr. Baxter told me he had met Mr. McAvity in the Law Library, and he had told him I would pay him all I owed him if he would get the department to clear up all the accounts and put them through so that I could get my honest dues. The Law Library is just near Mr. Pugsley's office. On the 21st I again called on Mr. Pugsley at three p.m. I told him that George McAvity would not do anything or give any satisfaction. Well, Mr. Pugsley, said I should not have sent a lawyer, and he added, that he wanted me and George McAvity to arrange the matter, and that I had better see Mr. McAvity. He also asked me how much I owed him. I said I would pay him (McAvity) all I owed him when everything was settled up. I then asked Mr. Pugsley to wire the department to send me the July estimates, some \$30,000, and then there would be sufficient to hold for Mr. McAvity, as there ought to be over \$50,000 coming to me. He said, "I want you to settle up with George McAvity first, and when that is done I will give you your balance." I said: "Will you not find out how much I have coming to me, please wire to your accountant." He said: "I have the amount at my house at Rothesay and will bring the account in to-morrow morning." I said: "How much is it?" He replied: "\$56,000." I said: "Why not wire to Ottawa to have the July estimate of \$30,000 sent to me and retain the \$26,000 as security to pay Mr. McAvity out of," which I said accounted for \$8,000 or \$9,000. He replied: "No, he could not pay me until I had paid McAvity." I said "Doctor, can you, as a Minister of the Crown, hold my money in that way." He said he thought he could. I said: "I do not think so," and I asked him if he knew how much McAvity claimed. He said he would know in the morning, and for me to call in the morning. I then asked him to straighten out the Core matter and he said he would, and I left.

I have before me my diary with which I am refreshing my memory. The entries were made in the book from day to day as they occurred. I find by reference to my diary that on the 22nd of August, 1908, I saw Dr. Pugsley at noon. He said that he was anxious that I should see Mr. McAvity and fix up matters right away, that he did not wish to have the affairs in the courts. He asked me whether I would state whether I owed him anything or not. I asked him if Mr. McAvity stated how much he claimed I owed him. He replied, No. He then produced from his pocket an account which he said he had brought from Ottawa, and he showed it to me, showing that the government owed me \$56,591.63, which included \$25,000 received for dredg-

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ing the city berths. I got a copy of this statement from him. The reason I did not know previously how much the government owed me was this, that their inspectors would measure the contents of each scow, they would make a report to the engineer's office here, and without my knowing how much the barges contained, they would forward these figures to Ottawa. I would not know the amount until about the middle of the following month, and therefore I did not know at any time exactly how much the government owed me. But I found that Mr. McAvity knew before I did. They would send on to him at his request the measurements which had been forwarded from here to Ottawa.

Q. Did you ever ask them at Ottawa to give them to you? A. I applied many times to know the measurements in anticipation of my getting them down in the middle of the following month, but failed to get that information. Mr. Pugsley then proposed, and very strongly urged me to take his advice, that he should give me \$50,000 on account and that I should pay Mr. McAvity what Mr. McAvity claimed to be due to him, and then that we should exchange receipts and thus avoid the courts. Further, that he would send for Mr. McAvity. He told me that he meant by exchanging receipts that I should hand back to Mr. McAvity the cheques that I had given to Mr. McAvity and which Mr. McAvity had endorsed for this large sum of nearly \$36,000. I said in reply that I would agree to send for Mr. McAvity if I could have Mr. Baxter present. To this Mr. Pugsley demurred and said I had better not have a lawyer. I then asked him to arrange to have Mr. H. A. McKeown, who was a lawyer and friendly to his government and a supporter of his, appointed as a referee to investigate my claim. These claims which I had for balance and other things. He said he would do that. I complained to him that I had written to him and that he had not sent me a reply. He said he was busy. I said that they had not given proper measurements of scows or had not allowed for boulders and had not allowed a fair division of the 400 foot extension, and I complained to him generally of the treatment I had received, and I told him that I felt that the department would not give me any more work. He said, "Will you pay Mr. McAvity if I give you \$50,000 on account?" I said, "I do not see that I could." He said, "You go and think it over and come this afternoon." Later on the same day, which was Saturday, in the afternoon, I went to Mr. Pugsley's office and found he had a private meeting in his general office, but he left the meeting and came out and saw me in Judge Trueman's office adjoining. He said, "What have you decided?" I told him, "I am more convinced than ever that I have had very hard usage from his officers." He said that if I would make up my claim by Monday he would take it with him to Ottawa and would place it before the Cabinet on Tuesday and recommend that Mr. McKeown adjudicate upon it.

Q. Did Mr. McKeown adjudicate upon it? A. Mr. McKeown did not adjudicate upon it and I believe was never appointed.

Q. But did Mr. Pugsley give you any explanation of that? A. No, I have said nothing about it. Then I saw him. He said, "Mr. Mayes, I wish you would trust to me and I will straighten this out." I said that I could not, that I had trusted him for a year and had been refused by him in every request. That same night I wrote Mr. Pugsley. I came back and wrote a letter to Mr. Pugsley and sent it down to the Rothesay train and had it delivered to him before he left. I got a letter in reply to that.

Later I got a reply to that written on the 24th of August, the original of which I produce, which shows that he actually admits the conversation about Mr. McAvity. (Letter filed as Exhibit No. 4).

On the 24th Mr. Pugsley saw Col. Baxter and told him he would send a cheque down for the balance due me. On the 17th of September I received a telegram from Mr. Kingston, accountant, that \$31,000 left Ottawa to-day for me. That is out of the \$56,000. On the 19th I got a cheque from Ottawa for \$31,429.

*By Col. Armstrong:*

Q. That left how much due you? A. About \$25,000.

Q. Did you ask for that? A. On the 25th I wired Mr. Kingston that the engineer had certified the completion of all work done two months ago. I got the engineer here to wire the same. Mr. Kingston said he could not send a final cheque. The Commission then adjourned.

#### AFTERNOON SITTING.

St. JOHN, N.B., Friday, August 9, 1912.

The Commission resumed at 2.30 o'clock, in the office of Colonel Armstrong.

G. N. DUCHARME, Esq., Commissioner, presiding.

GERSHON S. MAYES (re-called):

The WITNESS.—Continuing my testimony, on October 1, I received \$9,000 on account of the final estimate, apparently holding back the \$5,000. This left a balance of \$5,091

*By Col. Armstrong:*

Q. For which you have actually sued? A. On the 22nd of September I received \$2,760. That followed three days after the \$31,429.

Q. The balance left due to you you say was \$5,091 which you made every effort to collect without suit? A. Without suit.

Q. But failed to do so and finally brought action dated May 1909? A. For that amount and other amounts, and later a judgment was given for me by consent for the \$5,091 and the \$4,660 in settlement of the other claim I had. There was great delay in connection with the suit. The suit was begun in May 1909 and the case was not settled unil October 13, 1910, the delay being caused by the government in withholding permission to file the petition of right, and secondly, in postponing the trial for six months.

*By Mr. Ducharme:*

Q. About that judgment for \$4,660, can you explain how it was made up? A. No, sir, I cannot.

Q. Can you explain more fully how the price of ninety cents per cubic yard was arrived at for the upper 100 feet from your original contract to Union Street? A. That was advertised by Mr. Shewan for a month and two tenders were put in. Mr. Moore put in a tender for \$1.25 and my tender was ninety cents. They were legitimate tenders I think. I sent \$10,000 away with my tender as a deposit. I do not think Mr. Moore had any dredge to do it with but I had. The Board of Trade and the city wanted it and that is what caused Union Street to tumble down. It was estimated at 142,000 yards and it turned out a few more.

Q. After you refused or hesitated to pay any more money to Mr. McAvity did you find any difference in the attitude of the people with whom you were dealing in relation to the dredging? A. Yes, I found a great change growing all the time against me, and I would not have made the two last payments to Mr. McAvity had it not been for continued suggestions from Dr. Pugsley. From the time I began to be slow in my payments to Mr. McAvity, Mr. Pugsley ceased to be of any assistance to me in getting me my rights.

Witness retired.

The Commission adjourned.



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## EXHIBIT 1.

MEMORANDUM OF AGREEMENT made this Fifth day of September in the year of our Lord one thousand nine hundred and five. BETWEEN Gershon S. Mayes of the City of Saint John in the Province of New Brunswick, Contractor, AND George McAvity of the same place, Merchant.

WHEREAS the said Gershon S. Mayes has made a contract with the Government of Canada to dredge a certain portion of the harbour of Saint John for fifty-five cents per cubic yards.

AND WHEREAS the said George McAvity is interested in the said contract with the said Gershon S. Mayes and it has been agreed between them that the said George McAvity shall receive all moneys paid to the said Gershon S. Mayes for the said work over and above fifty cents per cubic yard.

NOW THIS AGREEMENT WITNESSETH that the said Gershon S. Mayes in consideration of one dollar in hand well and truly paid at or before the ensealing and delivery of these presents and of divers other good causes and considerations him thereunto moving HEREBY AGREES with the said George McAvity to pay the said George McAvity his executors, administrators or assigns all moneys which may be received by the said Gershon S. Mayes for dredging the said harbour of Saint John upon the above mentioned contract or any continuation thereof over and above fifty cents per cubic yard and the said Gershon S. Mayes agrees to pay the said money to the said George McAvity as the same are received by him from the Government of Canada or from other persons paying the said Gershon S. Mayes for the said dredging.

IN WITNESS WHEREOF, the said parties hereunto set their hands and seals the day and year first above written.

Signed, sealed and delivered  
in presence of

)  
}

(Signed) Gershon S. Mayes, L.S.  
(Signed) Geo. McAvity, L.S.

AND WHEREAS the said George McAvity is to receive moneys out of the performance of the above contract, He agrees and promises to use his influence and endeavours with the Minister of Public Works or officer of the Government at Ottawa, to increase the number of yards to be dredged at the aforesaid site of contract.

(Signed) Geo. McA.

The above is a true copy of the Agreement made between and signed by Mr. George McAvity and me—and of the Memorandum thereto added and signed by him by the initials "Geo. McA." referred to in the evidence given by me at Saint John, N.B., before Mr. Commissioner G. N. Ducharme of the Public Service Commission of Canada.

G. S. MAYES.

## EXHIBIT 2.

ST. JOHN, N.B., 23rd December, 1907.

George McAvity, Esq., St. John,

My dear Mr. McAvity,

I enclose you a copy of a letter which I have received from Hon. Dr. Pugsley. The contents of that letter, it is needless to say, were a complete surprise to me. Its tone is not such as I have a right to expect from one with whom I have had intimate relations and personal friendship for upwards of twenty years. Still less is it such a letter as should have been sent me by a man who demanded and got \$2,000 from me for the assistance he was to give during the term of my contract. Now Mr. McAvity, you know the state of affairs as well as I do myself. You know that my tender for 55c. on the first contract was the lowest and that I was entitled both in law and justice to the contract. You know that I have had to pay at the toll gate to get a chance to do the work for the government and that under our agreement you have already received upwards of \$35,000 and doubtless, expect to get more. You know that the Minister is aware of this and you see the way in which he treats me. What have I done except to ask that my old contract might be cancelled and that I should be paid for all work done by me since the appropriation was exhausted at the same rate as the Dominion Dredging Co. have been allowed without tender and without even a formal contract. Was there anything in this request which would warrant the Minister in demanding that I should proceed as rapidly as possible and complete the work required under my contract? This, remember, at a season of the year when the prosecution of the work is extremely difficult; when it is imperative that I should lay my dredge up for repairs and when, the appropriation being exhausted, it is at my pleasure under the contract to cease work if I see fit to do so, notwithstanding which I have lately been carrying on at a great deal of inconvenience a lot of work which is needed at the present time. Have I not been proceeding as rapidly as possible ever since I got the contract? I have been off the contract as you know for the purpose of working on the 600 ft. berth until the Dominion Dredging Co., could get their dredge here. You know that if the Government had given a chance to tender for that work that I could have got the same dredge and had her here months before or that the Government itself could have acquired that dredge and done the work. You also know that I have cleaned up the old berths for the City with the entire consent and approval of the Minister and at the urgent request of the people of this City. You also know that in my first contract I met with exceptional difficulties which have not occurred in the Dominion Dredging Company's contract though they are getting 90c. per yard against my 55c. You also are aware that almost from the start I have been harassed by servants of the department so that life has been rendered almost unbearable because of their annoyances.

Now I have come to the end of my patience. I demand a square deal. I *will* be put on the same level at the Dominion Dredging Co., or know the reason why. It is not for me to point out the way by which the proper adjustment is to be accomplished. You can get the Minister to work out that end of it. It is sufficient for me that I have paid and am paying the price. I now call on you to carry out your part of the bargain.

Dec. 16th, 1907.

Dear Sir:

I have had under careful consideration your letter of the 23rd ult., asking to be relieved of your contract of the 30th September, 1905, and after consulting with the

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Chief Engineer of my Department and examining the contract and specifications very carefully, I have come to the conclusion that it will not be possible to comply with your request, and I have therefore to ask that you will proceed as rapidly as possible and complete the work required under said contract.

I shall be glad to learn from you how soon you will be able to complete this work.

I am,

Yours very truly,

(Signed) WILLIAM PUGSLEY.

G. S. Mayes, Esq.,  
Saint John, N.B.

ST. JOHN, N.B., 26th December, 1907.

Hon. William Pugsley, Esq., M.P.,  
Minister of Public Works,  
Saint John.

My dear Sir:

My surprise at receiving your official letter of the 16th inst. asking me to proceed with my contract at a time when the appropriation is exhausted and it is at my pleasure to proceed or not as I choose, was equalled if not surpassed when I got your personal letter yesterday. As you have utterly ignored my request for advice as to how I should prefer my claim, I must take it that your official and personal views are the same. Aware, as you are, of the unfair and unjust preference which has been given to the Dominion Dredging Co. at St. John, I am unable to see any reason for your change of attitude towards me. On receipt of your official letter I wrote Mr. Geo. McAvity, reminding him of the large sums which I had already paid to him and insisting that I should receive a square deal. The Dominion Dredging Co. have been favoured in every way in the division of the 400 ft. dredging by your engineers; no notice has been taken of Mr. Holt's report, and I can not even get my dredging for the city passed by the officials of your department. If you are really unable to do me justice in this matter I shall be obliged to prefer my request to other Ministers and lay before them the same views as I have already expressed to Mr. McAvity. I feel sure that there must be some members of the Cabinet who will not approve of the Dominion Dredging Co. receiving 90 cents per yard for easy digging, without tender, as against 55 cents per yard for me in the most difficult work in the harbour and obtained by tender in the regular way, nor will they be pleased to learn that the work done and to be done by that Company will cost the Government at least \$250,000 more than need have been paid had there been public competition by tender. I extremely regret that after our many years of friendship you should place me in a position where I have to write you such a letter as this. I remain,

Yours truly,

## EXHIBIT 3.

ST. JOHN, N.B., 23rd November 1907.

Hon. William Pugsley, Esq., M.P.  
Minister of Public Works, Ottawa,

Dear Sir:

Permit me to call your attention to the fact that I have not been paid for any work for the last three months. This is entirely due to the appropriation having been exhausted and does not reflect upon anybody. Notwithstanding this, at your request, I have prosecuted this work under my contract just as diligently as if I were receiving the money more regularly. I am sure you can understand what a burden this has imposed upon me when you consider the extreme difficulty of getting money to-day from our banks for any purposes. I have a large overdraft for which I am paying a heavy rate of interest. Had I so chosen, I could under the terms of my contract, have stopped work altogether and thereby practically stopped my expenditure but the result would have been that the work would not have been advanced to an extent necessary to provide for the opening of the winter port season which it practically is to-day. Under these circumstances I would suggest that you should cancel my old contract from the date of the last payment under it and substitute a new contract embodying all the work which remained unperformed at that date together with the work since awarded to me and which has recently been surveyed by Messrs. Valiquette and Holt, this work to be at the same schedule of prices as paid to the Dominion Dredging Co. for similar, though in many instances, not so difficult work as we have had the section which contains nearly all the boulders in that vicinity entailing serious breakage and great expense and loss. Besides this, you will find upon inquiry, that before I entered on my first contract a great portion of the high water work which belonged to it had been removed by the local government dredges. Consequently I have always had an undue proportion of low water work which has added very materially to the difficulties of the work.

Trusting that this request may receive your most favorable consideration.

I remain, yours sincerely.

ST. JOHN, N.B., 23rd November, 1907.

Hon. William Pugsley, Esq., M.P.,  
Minister of Public Works, Ottawa.

Dear Dr. Pugsley:

I send you enclosed an official letter. Please advise me if I have put the request in the best form and if not, how I should base it so as to enable you to accede to it. As I am getting decidedly the worst of it on the division of the high water digging and as the other dredge was allowed to come here at their own prices without my having a chance to tender I think it is only fair that I should be placed upon an equality with them in the matter of price, at least.

I remain, yours sincerely.

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## EXHIBIT 4.

ST. JOHN, N.B., August 24, 1908.

G. S. Mayes, Esq., St. John.

Dear Sir:

I am in receipt of yours of the 22nd inst., and in reply would remind you when I informed you of the notice which I had received from Mr. McAvity that he was interested in the moneys coming to you from my department and had requested me not to pay them over until the matter was adjusted, you admitted that there was an amount coming to him, which you said you were prepared to pay, provided I would allow a further claim which you said you proposed making, and would also buy your dredge. The impropriety of your proposal, which I told you I could not possibly entertain, did not seem to impress you as it ought to have done.

As you in your letter deny any indebtedness to Mr. McAvity, I do not propose to intervene in the matter, and shall give instructions for the payment to you of the amount found to be due you by the accountant of my department. If you have any further claim on the department it will be dealt with on its merits. Whether or not you owe Mr. McAvity or have overpaid him, or whether or not there should be litigation between you, is, I beg to assure you, a matter of perfect indifference to me.

Yours truly,

WILLIAM PUGSLEY.

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