

tugs, materials, labour, tools, tackle and machinery, service ground and right of way, and every contingency connected directly or indirectly with the work; and the contractor shall assume, and make good at his own expense, any damage that may be incurred from loss of materials, vessels, machinery or otherwise, by storms or from any cause whatever, during the progress of the work, and up to its final and satisfactory completion; and if during the progress of the work it should appear that anything has been omitted, either from the plan or this specification, which should have been shown or specified, the contractors shall furnish and perform the same as if said plan and specification were full and complete."

The last clause in the specification was as follows:

"The whole of the work to be completed on or before the 31st day of December, 1874."

The second clause in the agreement attached provided for the transfer of the contract from the contractor by the Government:

"When it shall appear that the establishment and rate of progress at and in the said works are not such as to ensure the completion of the same within the time herein prescribed."

The seventh clause provided:

"That if any change or alteration, either in the position or details of any part of the work shall be required by the said Minister during the progress thereof, the party of the first part is hereby bound to make such alteration or change; and if such alteration or change shall entail extra expense on the said party of the first part, either in labour or materials, the same shall be added to the amount of this contract; in either case the amount is to be determined by the Estimate made by the Minister, his Engineer or officer in charge."

The eleventh clause was as follows:—

"That should the party of the first part not complete the work herein contracted for at the period agreed upon as above mentioned, the said party of the first part shall be liable for, and shall cause to be paid to the party of the second part all salaries or wages which shall become due to the person or persons superintending the work on behalf of the said Minister, from the above-named period for completion, until the same shall be actually completed and received."

By letter dated at Barney River, N.S., February 5, 1874, F. W. McKenzie transferred his contract to John Ross, of Little Bras D'Or, Cape Breton,

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and James McKay, of Stellarton, Pictou, N.S. A telegram from Ross & McKay on March 1st, 1875, showed that the contract was not then completed. It was as follows, and was addressed to the Minister of Public Works:—

"Whole contract finished in August, the whole amount for contracts required within that time.

"Ross & McKay,
"Contractors."

On April 11th, 1876, he found by a letter from Mr. Braun that the Minister of Public Works assented to a reduction in the length of the breakwater to 600 feet. On September 1st, 1876, he found John Ross resigned his interest in the contract by telegraphing to Hon. Alex. Mackenzie, Minister of Public Works. This was done to enable him to contest an election in Victoria about that time, as he could not be a candidate and contractor at the same time. It showed also that the contract was not completed. He ran the election and was defeated. The Engineer reported on September 18th, 1876, as follows:—

"Nearly complete, a quantity of dredging still remains to be done to finish the channel, and it is somewhat doubtful if it will be accomplished this year."

On October 14th, after John Ross was defeated at the election, he wrote to the Secretary of the Public Works Department withdrawing his resignation and resuming charge of the contract, which he was allowed to do. A letter from Mr. Perley, dated September 30th, 1875, showed that a channel averaging 60 feet wide, with 14 feet water at low tide, had been dredged at that time, and calling the attention of the Minister to the fact that it had yet to be widened to the full width of 200 feet. On Jan. 3rd, 1876, he found a long letter from Ross & McKay asking for modifications in the work which would lessen the expenses, all of which was granted them. Then he found a letter from Mr. Baillairgé, as follows:—

"The contractors have twice endeavoured and twice failed to construct the pier to its full length of 700 feet, on account of the storms of 17th September and 11th November, 1875. They now request permission to limit the length to 600 feet, to remove the