

decision was thereupon appealed from on behalf of the Crown, and the case was ultimately re-heard before the Supreme Court of Canada, Messrs. Heney, Charlebois & Flood being joined as co-suppliants, but not as beneficially interested. The Minister also observes that the judgments severally given by the judges of this court are, with one exception (the judge before whom the case was heard in the Exchequer Court, who maintains his previous holding) decisive in asserting the rights of the Crown to cancel the contract under the provisions therein contained. The majority of the judges, however, express opinions to the effect that in view of the integrity and good faith shown in the conduct of the works, the suppliants are entitled to receive the most favourable consideration, one of the judges stating his views in the following words: "I have come to this conclusion (adverse to the claimants) with great reluctance, for I see that an injustice is done to the respondents by such a judgment. I am sure, however, that the Government will not avail itself of this judgment and of the strictness of the law, to refuse to the respondents the justice they are entitled to at their hands." The Minister further represents that on the 6th of October last, Messrs. Smith & Ripley memorialized the Government, asking that consideration might be shown them, and under date of the 18th ult., they submitted a statement of moneys expended by their firm in connection with and in and about the Georgian Bay contract, during the years 1878 and 1879, the total amount being \$127,296.40. Against this they set the amount paid by the Government for work done and received by themselves for plant sold, namely, \$21,053.27, leaving a balance of \$106,243.13, upon which sum they asked that interest should be paid from the date of the cancellation of the contract. They also asked that a further sum of \$10,000 should be paid them to cover legal and personal expenses since 1879, bringing the total amount up to \$116,243.13, with interest as aforesaid. The Minister states that this statement has been explained by the Chief Engineer of the Canadian Pacific Railway, and under date the 22nd ult., he has made a report thereon, advising a settlement with the firm, upon the following basis, which includes the sum of \$29,000, excluded from the judgment of the Exchequer Court. Expenditure;—plant, \$18,134.05; general expenses, hay, grain and materials used on the works, \$14,807.24; expenses—office, travelling and private expenses, \$7,057.83. Settlement with Sub-Contractors:—John Shields, \$2,427.58; John McDonald, \$4,159.76—\$6,587.34. Hamilton Powder Company, account of \$13,157.40, which was settled at 50 per cent. by returning the powder, \$6,578.75; A. Charlebois, account for derricks and tools, \$2,412.17; total, \$85,577.38. Buying out original contractors:—A. Charlebois, \$15,000; J. Flood & Co., \$10,000; John Heney, \$4,000; total, \$29,000. Grand total, \$114,577.38, less the following credits.—Paid in estimates, \$11,000; proceeds of sale of plant, \$10,053.27; total, \$21,053.27; leaving, \$93,524.11. The above items should, the Chief Engineer considers, be paid; certain other items for legal expenses, salaries, &c., amounting to \$22,719, he regards as inadmissible, and he expresses the opinion that the question of payment of interest from the date of the cancellation of the contract is also worthy of consideration. The Minister, considering that the view of the case taken as above stated, by the majority of the judges of the Supreme Court, and coincided in by the Chief Engineer to the extent set forth in his report, is such as the Government would desire to adopt in furtherance of the principles of equity and fairness, rather than those of strict law, recommends that the Government rights in the premises having been conclusively established, the petitions be dealt with upon the basis of equitable settlement proposed by the Chief Engineer, and that the sum of \$93,524.11, together with a further sum of \$27,683.14, representing interest thereon from the 25th of July, 1879, the date of the Order in Council stopping the

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works, up to the 30th of June next, or a total sum of \$121,207.25, be placed in the Supplementary Estimates for the year 1883-84, to be laid before Parliament during its present Session, for the purpose indicated. The Committee concur in the foregoing report and the recommendation therein made; they submit the same for Your Excellency's approval, deducting however the \$29,000, the amount paid for the contract to the original contractors and the interests on the same. The Government felt that in view of the opinion rendered by the court, although in strict law the parties were excluded from pressing their claim, yet as the expenditure had been made in good faith and under the belief they would be paid, the Government decided to ask Parliament to vote this amount.

Claim of Sifton & Ward, Red River and Cross Lake Branch..... \$17,400 00

Sir RICHARD CARTWRIGHT. What is this item, \$17,400 for Sifton & Ward?

Sir CHARLES TUPPER. This is a claim by Sifton & Ward, who were contractors on Section 14. Their claim was for \$275,000. It was resisted by the Government, who allowed the contractors to go to the Exchequer Court. The court found in favour of the suppliants on the first four items, amounting to the sum asked for.

CANALS—CHARGEABLE TO CAPITAL.

St. Peter's.

235. To pay H. F. Perley, Civil Engineer, for four years' service, to 21st December, 1883, enlargement of the St. Peter's Canal..... \$1,000 00

Sir CHARLES TUPPER. The matter stands in this way: The St. Peter's Canal was constructed under the superintendence of Mr. Perley, who is Chief Engineer of the Department of Public Works, and whatever expenditures have been required to be made in relation to the canal have always been done under his supervision. As that officer was not in my Department, and was called upon to perform extra services, we consider he is entitled to this amount for four years' services in that connection. There are now some extensive repairs in progress, which are being made under his direction. I suppose, however, this amount will cover the present year.

Mr. BLAKE. I suppose as that officer was connected with the work of enlarging the canal, his services might be valuable in finishing the work; but the regular engineer should be able to attend to repairs.

Sir RICHARD CARTWRIGHT. What is Mr. Perley's present salary?

Sir HECTOR LANGEVIN. \$3,500.

Sir RICHARD CARTWRIGHT. Does he receive any other allowances except this one?

Sir CHARLES TUPPER. No; only this one.

Welland.

236 To meet payment of the balance of unpaid labourers' wages and board accounts in re J. V. Browne & Company, abandoned contract. \$2,436 80

Sir RICHARD CARTWRIGHT. How did the Government come out of this contract; was there a loss sustained?

Sir CHARLES TUPPER. I am afraid there was.

Sir RICHARD CARTWRIGHT. But was the work done by these parties equal to the amount paid at various times, apart from this?

Mr. BLAKE. The accounts say that \$1,926 was due to the contractor, and the residue must have been lost.

Sir RICHARD CARTWRIGHT. Was there any cash deposit?

Sir CHARLES TUPPER. I suppose so.