

secure the acceptance of their tender for the purpose of disposing of their interest to some one else at a profit. Offers are also made by persons well-known to be incompetent to conduct, in any way, such undertakings; and by others whose resources are inadequate to provide even a small share of the necessary equipment to commence the operations.

There are also other kinds and classes of tenderers whose aims, schemes and objects are represented to be such that even those previously mentioned would suffer by comparison with them.

If this representation of matter is correct it will be evident that experienced contractors, who know the proper value of work and can foresee the difficulties connected with it, are placed at a disadvantage, their tenders for the most part ranking in the higher order, such as cannot be reached in the way in which contracts are awarded.

It therefore appears to me quite evident that if, in this case, the usual course of receiving tenders is adhered to, the probability of getting the right men for the expeditious and satisfactory execution of the works would be exceedingly doubtful.

In regard to the question of proceeding with the works immediately under the Department, I venture to say that this is a case in which an experiment of that kind is the least likely, of any course that could be tried, to result in a satisfactory way; whilst no one could possibly form any idea of the time it would take, or what would be the probable cost of completing the undertaking under such an arrangement.

The best, if not the only way, in my opinion, at all likely to be successful would be to invite "Tenders" for the execution and completion of the works by "circular" letters addressed to such experienced, competent contractors, possessing means, and of such standing that they could be relied upon to carry out what they undertake.

I have the honor to be, Sir, your obedient servant,

JOHN PAGE, Chief Engineer Canals.

The Secretary of Railways and Canals.

(Memorandum.)

OTTAWA, October 26th, 1880.

The undersigned has the honor to represent, that in September, 1879, a contract was entered into with Messrs. Hunter, Cleveland & Murray for the execution of the works embraced in Section No. 27 of the Welland Canal, such contract to be fulfilled by the 1st June, 1881.

That the said contract comprises the construction of an Aqueduct for the purpose of carrying the canal over Chippewa River—the works necessary for which the contractors have so far failed to find means of executing.

Representing themselves to be experiencing difficulties at this point, the contractors have now applied for permission to relinquish their contract to the Government.

That upon this application the Chief Engineer has reported to the effect, that little has been done on this work except providing part of the materials, and that no unforeseen difficulties of any extent have been experienced; further, the construction of the coffer-dams required, and that the unwatering of the foundation of the new structure could not be done by the most experienced contractor, under the best management, for less than double the amount set down for the purpose in the present contract, he also gives it as his opinion that the only way to secure the execution of the works is to place them in the hands of experienced energetic contractors at such rates as will enable them to form proper dams. His report further points out, that if the usual course of receiving and accepting tenders, is followed in the present case, the Government may not obtain the services of a contractor of competence and adequate resources, while it would be impossible to estimate the time which might be occupied in the undertaking or its costs.

Under the circumstances, and upon the advice of the Chief Engineer, the undersigned recommends that the present contractors be permitted to relinquish their contract upon terms to be hereafter arranged; and that authority be given to invite