

In considering the prices we now submit, we respectfully ask your attention to these circumstances, and to the unfavorable character of the locality in which the work has to be done for obtaining materials and supplies, which renders any comparison with prices at which the work could be done elsewhere out of the question.

In submitting our present offer, we do so on the distinct understanding that the Government shall forthwith submit to arbitration all matters in difference between us and the Government, including the question as to the amount we shall receive as compensation for the changes, we claim, this alteration in the work will make, whereby the rock borrowing and earth work are done away with, and our contract sum reduced by about a million and a quarter of dollars after we have expended a very large sum in opening up the country, building roads, houses and boats, providing the steel, iron tools and plant required to do the work originally contracted for, the greater part of which will be thrown away, and we shall be deprived of the benefit of doing the original work at the contract price, by which alone we could recoup ourselves for our large previous outlay, made in anticipation of the whole work being done as contracted for under the original plans and specifications.

The arbitration we ask should be two arbitrators, one of whom shall be chosen by the Minister of Railways and Canals and one by us, and a third arbitrator to be chosen by the other two, or in accordance with the arbitration clauses of the Common Law Procedure Act of Ontario, which shall apply to the arbitration, and the award to be made without unnecessary delay and to be made without regard to or being affected by this new contract, if entered into.

In undertaking the new work we would respectfully stipulate that it shall be placed under the superintendence of a practical engineer, skilled in such work.

We make the present proposal on the understanding that the work shall be commenced forthwith and be completed within the time limited by our contract.

We have the honor to be, your obedient servants,
MANNING, McDONALD, McLAREN & CO.

Schedule of Prices.

Square timber, framed and measured in work, at, per thousand feet B. M.....	\$76 00
Square piles, as per plan exhibited, as per lineal foot in work	1 20
Round piles, as per plan exhibited, per lineal foot in the work	0 60
Wrought iron work per lb.....	0 12
Cast iron	0 09

MANNING, McDONALD, McLAREN & CO.

Ottawa, 24th February, 1881.