

ST. CATHARINES, Oct. 19th, 1880.

SIR,—We have the honor to state that, in view of the unforeseen difficulties attending the building of coffer dams for the foundations of the Aqueduct on Section 27 of the Welland Canal enlargement, and the differences of opinion existing between the Government and ourselves in regard to responsibility for delay in prosecuting the work, we propose to relinquish our contract to the Government and all claims; trusting that the Government will return to us our securities deposited for said section, and pay us for all work done, material delivered and cost of preparation for doing said work; the quantity and value to be determined by the Chief Engineer of Canals.

Trusting that in considering the amount we are to receive, you will remember the difficulties encountered by us in the prosecution of the work, as well as the large expenditure we have made amounting to \$85,000 more than the estimates we have received, which sum has been faithfully expended in carrying on the work, for labor performed, material delivered, and preparation for doing the work in quarries and elsewhere, and that you will see the justice of paying us such an amount as will compensate us for the large outlay we have made.

We have the honor to be Sir, your obedient servants,

JOHN HUNTER,
JAS. MURRAY,
M. A. CLEVELAND.

Hon. Sir CHARLES TUPPER, K.C.B., Minister of Railways and Canals, Ottawa.

We the undersigned securities for Messrs. Hunter, Murray & Cleveland for the performance of their contract with the Government of the Dominion of Canada, for construction of the Aqueduct on section 27 of the Welland Canal enlargement, do hereby concur in the forgoing letter.

JOHN W. COY.
T. HEALEY.

OTTAWA, 22nd October, 1880.

SIR,—I have the honor to acknowledge the receipt of your letter, No. 54,560, accompanied by one from Messrs. Hunter, Murray & Cleveland, stating "that in view of the unforeseen difficulties attending the building of coffer-dams for the foundations of the Aqueduct on Section No. 27 of the Welland Canal enlargement, and the difference of opinion existing between the Government and ourselves in regard to responsibility for delay in prosecuting the work, we propose to relinquish our contract to the Government and abandon all claims," stating at the same time that they trust the five per cent. security will be returned to them, and that their outlay will be fully considered in any settlement that may be made with them, etc.

Having on several occasions within the past eight months reported on nearly all matters bearing directly on the construction of the Aqueduct, it is believed unnecessary to occupy time in repeating facts already in the possession of the Department.

It is, however, believed proper to state that there has not been anything deserving the name of "unforeseen difficulties attending the building of the coffer-dams" unless it may be to those, unacquainted with such matters, who have not given the subject full consideration in advance, nor endeavored to get correct information in relation to it before deciding what should be done and how to do it.

The difference of opinion stated to exist between the Government and the contractors as to the responsibility for delay, no doubt results from the fact that the time stipulated for the completion of the structure has nearly elapsed, whilst there is little or nothing done except providing part of the materials.

The construction of the coffer-dams and the unwatering of the foundations for the new structure could not be done by the most experienced contractor, under the best management, for less than double the amount stated in the contract for that purpose.