

Railway Construction—Contract No. 15.

513. Did they not return it as earth?—No; they did not return it at all.

514. Do you mean that it was omitted absolutely from the measurements?—Yes.

Until the agreement with Smith Engineer omitted such rock from measurements.

515. Had you removed it from the embankments?—Yes; under the direct instructions of the engineer. We requested permission, if we were not to be paid for that rock, to waste it either on top of the cuttings or at the mouth of the cuttings, but under their strict instructions we were told to place it in the embankments.

Material placed in embankments under Engineer's instructions.

516. Then do you mean that although it was made available for the embankments, they refused to allow it to you under any classification?—Yes.

Yet he refused to allow it under any classification.

517. Had there been an unpleasant feeling between the contractor and his engineer, on one part, and the engineers acting for the Government on the other part?—Yes; we considered that they were not treating us fairly.

518. Was it about any other matters?—We considered that they did not treat us at all fairly in regard to giving us engineering information about the line, in regard to giving us bills of timber and quantities for trestles for the passage of streams and in the classification of loose rock, and in not paying us for the rock outside of the slope.

On three points Contractor contended that Govt. Engineers acted unfairly.

519. What difference do you estimate in the amount that was due to Mr. Whitehead under his contract and the amount which the Government admitted to be due?—In April last, I think, it amounted to about \$60,000.

Thinks in April, 1880, Govt. owed Whitehead \$60,000 more than they admitted.

520. And has that amount been withheld from Mr. Whitehead by the Government?—Part of that amount had been previously paid Mr. Whitehead and it was subsequently deducted; a part of it they never paid at all.

521. At the end of the transaction in April, do you claim that Mr. Whitehead was entitled to about \$60,000 more than he had received?—Yes.

522. Does that difference arise principally from this classification of the material in cuttings, or loose rock?—From the classification of material in cuttings and from the rock outside of the slopes in solid rock cuttings.

Claim for \$60,000 arises out of classification of material in cuttings and slopes outside.

523. Is there any other matter about which there is any serious difference between you and the engineer in charge?—Not as to quantities, I think the measurements agree pretty well.

The measurements agree.

524. Did Mr. Whitehead continue to complete his contract?—No; the work, since April last, has been carried on by the Government.

In April, 1880, work taken out of Whitehead's hands.

525. Did he give up the work, or was it taken out of his hands?—I believe it was taken out of his hands.

526. Who was the first engineer who communicated to you the idea that the trestle work would not be required?—I do not know that that communication was ever made to us in that way, but we were told by Mr. Rowan, in July, 1877, to borrow all the earth that we could in lieu of trestle work. He said that it was Mr. Fleming's desire that all the earth possible should be placed in the embankments.

In July, 1877, Rowan said Fleming desired all the earth possible to be placed in embankments.