

dam broke in two, under the pump house, the pump house settled down on one side, as can be seen by the most casual observer, and changed the relative level of the pump house and pump frame.

This difference of level was pointed out yesterday by the man who originated or adopted the rising bottom idea, as evidence of the bottom coming up, and no other clue to the idea can be found. The contractors, when dredging for the site of the Aqueduct, had the best opportunities of knowing the character of the material on which they had to form their dam, and if the bottom was as soft as stated in the letter (and I am happy to say it is not), it was the contractor's duty to make a suitable dam, *vide* clause 2, page 9, to the specifications.

The next clause in the letter is a protest against "the continual interference and dictation as to the mode of carrying on the work" by the engineer in charge, and a statement to the effect "that the progress estimates on this section are largely in arrears."

In reply to the first of these statements, I would say that I am only aware of two occasions when the contractors complained of my "dictating" as to when and where they should work, although the contract gives me that authority. The first of these is mentioned in my letter to you, dated 4th November, 1879. The lock walls of the Welland lock were being carried up without the puddle bank being formed in rear of them.

I had frequently called the contractor's attention to the necessity of filling in behind the walls, stating as my reasons for wishing to have it done that the lateness of the season might any day bring frost which would injure the unprotected walls, and prevent puddle being properly made, in which event the water would find its way behind the lock walls and cause heavy expenses hereafter, and, on the other hand, a severe rain would certainly cause the clay bank to fall and possibly damage the lock wall, for which the contractors have been paid.

Promises to do this work, as required, were made but not carried out, and as a last resource, I obliged one gang of masons to stop building October 29th, 1879, and their laborers were then employed in puddling behind the lock walls.

The second instance where interference was spoken of, is in the case mentioned in the letter where I required the contractors to discontinue for the present removing clay from in front of the south oblique wall, for the reasons already given, and turn their attention to the coffer-dam, which was going to pieces.

In both of these cases, I acted under the authority given in the contract to the engineer in charge of the works, and required the contractors to protect Government property, for which the contractors had already been paid. With reference to the progress estimates, for section 27 being "largely in arrears," I beg to say, that the amounts as returned in the progress estimates for section 27, up to January 31st, 1880, are all that the contractors are entitled to. The contractors informed me that they considered they were under estimated in the matter of stone for the Aqueduct and lock, returned under the head of materials delivered.

The chief complaint is in connection with stone delivered at a siding near the Beamsville quarry, where the contractors had not obtained a lease of ground, or transferred it to the Department of Railways and Canals, as far as I was aware from any official source, and, under these circumstances, my instructions did not admit of my estimating these materials.

I had the quantities of stone at the Beamsville siding measured, and detained the progress estimates for Messrs. Hunter, Murray & Cleveland to the last, but hearing no more about the lease, the progress estimates were dispatched without the stone at the siding being included.

At Queenston and Beamsville quarries there are larger quantities of rough stone than I have returned for the contractors, but it appears they are too rough to be worked to advantage.

I have made allowances to the contractors on this rough stone, particularly at Queenston, as the contractors informed me they purposed working it up for backing when the season of cheaper labor made it profitable to do so.