

APPENDIX No. 5

agreed to by Mr. Woods, Assistant Chief Engineer of the Grand Trunk Pacific Railway Company, and which has been acted upon since that date, but which the Major contended was at variance with his ideas of the proper construction of these clauses, and when this fact came to his notice, together with the fact of mistake in regard to the classification of the LaTuque cutting, upon which he had based his judgment of the work in Quebec, he frankly admitted that the only question then left was whether his view of the interpretation of the specifications was correct or not, and he thereupon withdrew any imputations which he had made upon the Commissioners in regard to improper interference with the engineers, or that he had personally asked Sir Wilfrid Laurier for an investigation which had been refused, or that Mr. Parent had in any way attempted to influence Sir Wilfrid Laurier, and that not knowing of Mr. Lumsden's interpretation of the clauses referred to when he wrote his letter to the *Colonist* on April 16th, his views, in the light of this opinion had been modified; these admissions being found on pages 385, 386, 387, and 388 of the evidence.

It also appeared from the documents produced that in making his estimate of the cost of the two hundred and fifty miles in District 'F,' comprised in McArthur's contract, Major Hodgins had omitted from his calculation a number of items, which in the aggregate amount to about \$6,000,000, which more than accounts for Mr. McArthur's estimated increase of \$4,000,000 in the cost of the work, and about coincided with Mr. Poulin's estimate made shortly after assuming the duties of District Engineer, and it therefore became evident that this increased cost was not the result of a change in classification, but of including work necessary to the completion of the enterprise.

Your committee, therefore, decided that as the charges made by Major Hodgins had been withdrawn, the question as to whether the engineers on Districts 'B' and 'F' were classifying according to the interpretation of the specifications as laid down by the chief engineer was a technical one which Major Hodgins did not wish to present to the committee claiming on page 387 of the evidence that the board of arbitration was the proper tribunal to determine whether or not there was an issue in this matter, and inasmuch as differences of opinion had been anticipated at the inception of the enterprise, and their disposition provided for by the statute and agreement which provided for the settlement of such differences by the arbitration and decision of the chief engineer of the Grand Trunk Pacific Railway Company, and the chief engineer of the commission, and in case of their disagreement, by a third engineer to be appointed by the Chief Justice of Canada, the inquiry could not profitably or in the public interest be continued, and the same was brought to a close.

Your committee, therefore, find that Major Hodgins has not only failed to prove the charges as contained in the *Colonist*, both in the letter and interviews, but has specifically withdrawn the same, and has unqualifiedly exonerated the commissioners and their engineers from any improper conduct or undue influence over officials under them, or of collusion with the contractors, and that if questions as to classification arise they should be decided by the tribunal previously provided therefor by the statute.

Your committee also beg to submit herewith, for the information of the House, the minutes of their proceedings, their discussions and the evidence taken by them during the inquiry.

All which is respectfully submitted.

VICTOR GEOFFRION,

Chairman.