

MINUTES AND EVIDENCE.

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SATURDAY, 28th February, 1891.

Meeting of the Select Committee appointed under the Resolution dated the 23rd day of February, 1891, to enquire into the circumstances under which local partners were admitted by F. B. McNamee & Co. in the contract for the construction of the Graving Dock; what rate of interest, if any, was to be allowed on the \$10,000 deposited as security for the contract, and the financial position of matters at the present time.

Present:—Hon. T. Davie, Q. C. (Attorney-General); Messrs. Grant, Croft, Martin, and Sword.

Mr. H. D. Helmcken appeared to represent F. B. McNamee & Co.

Moved by Mr. Grant, seconded by Mr. Croft, and carried, that the Attorney-General be Chairman of the Committee.

F. B. McNAMEE, called and sworn. (Examined by the Chairman.)

1. Q.—What is your name?
A.—Francis B. McNamee.
2. Q.—You were the contractor for the Graving Dock at Esquimalt?
A.—I was the head of the firm that got the contract.
3. Q.—It was a Montreal firm?
A.—Yes; Montreal firm.
4. Q.—Composed of yourself, and who else?
A.—A. G. Nish and James Wright.
5. Q.—Where was the contract let?
A.—Tenders were called for, and were sent in, at Ottawa. I think our tenders then came out here and went back again to Ottawa, with Mr. Walkem, and there the contract was declared to us.
6. Q.—At Ottawa?
A.—Yes.
7. Q.—By whom?
A.—Mr. Walkem.
8. Q.—Personally?
A.—Yes.
9. Q.—Mr. Walkem was then the Chief Commissioner of Lands and Works?
A.—Yes.
10. Q.—After receiving the contract, what did you do?
A.—Put up \$10,000 as security. We got a draft made out for \$10,000 and handed it, or a receipt for it, if I remember correctly, to Mr. Walkem, and Mr. Walkem sent it through the Bank of Montreal to the Bank of British Columbia.
11. Q.—That was done in Montreal?
A.—Yes; I remember it was done in the Bank of Montreal.
12. Q.—You put up \$10,000?
A.—Yes; and then talking the matter over with Mr. Walkem there, and about how things were to be fixed, somebody remarked that money in British Columbia was worth ten per cent., and I said to Mr. Walkem: "Here! what rate of interest are we getting for this \$10,000?" and he said, "Six per cent.; that would be the bank rate there." I said, "Very well." I thought it was all right, and there was a perfect understanding that we were to have six per cent. for the use of that money here, as banks were getting ten per cent. and twelve per cent. for money at the time. Six per cent.—that was the understanding.
13. Q.—After having deposited this money, did you come to British Columbia?

A.—Yes; I came out here, having been notified to begin the work. I came out with my foreman mason, and was making all necessary arrangements to commence the work. I went and hunted up quarries all over and made contracts for supplies, and sent back my foreman mason to Montreal to ship derricks and bring out the class of men necessary to commence the work. While doing this Mr. Walkem persistently kept urging me to give up the contract to British Columbians. He named them—three British Columbians. I kicked for as long as I could; wouldn't hear tell of it, because I wanted the credit, as well as the profit, of building the dock, and had my financial arrangements with the Bank of British Columbia here. Mr. Walkem was so determined that I should give up the contract to these men that he stood in my way in every possible way he could; so much so, that he said that if I wouldn't give up the contract to these men his Government couldn't hold office three months, and that British Columbia would go out of the Union immediately his Government fell. I protested against it, and I said to Mr. Walkem: "How can I do anything of the sort, when you have me bound neither to sub-let nor to transfer this contract?" He said: "I will show you how to do it. You will take them in as partners, they allowing you ten per cent. on the gross amount. The ten per cent. will remain in my hands; you will never have to wet your hands on the contract, and I will protect you in that way. These three men are practical men. Robertson is a stonemason, Huntington is a house-builder or plasterer, or something of that sort, and Nicholson is one of the best contractors we have here, a substantial man, who has between \$22,000 and \$23,000 in the Savings Bank. You needn't be the least afraid; everything will go all right; I will have control of the whole thing and will protect your interests." At this time I had sent for the foreman carpenter and he was on the ground, and I appealed again to Mr. Walkem not to force me into this thing; my men would be here right away from Montreal, that everything would go on swimmingly, and that I could do this work—having accomplished some of the largest contracts in Canada without any trouble at all and made a good thing out of them. But, no; he persisted that I must give up this contract to these men in that way. I should have protected myself, I admit, but I was speaking to the Premier of the Government, and in our country we do not look upon a Premier of a Government as one likely to put you in a false position. He placed me in this false position, and he didn't do any good to the British Columbia men that he had so much friendship for, for, from what I can see, they were most cruelly treated.

14. Q.—Tell us what transpired after this?

A.—He said that he would get a lawyer to make out the papers, and he got Locke Robertson, a lawyer, and the next thing I saw was a rough draft of this agreement, made after his interview with Locke Robertson. That is about the way that I, unfortunately, gave up the contract. He pointed out the way it was to be done, and he was the controlling power in the whole thing. I left my foreman carpenter here with these men, as I knew his abilities from what work he had done in Canada.

15. Q.—Did you have any introduction, while you were here, to either Nicholson, Robertson, or Huntington?

A.—Certainly; Mr. Walkem introduced me. I think he introduced me to the whole of them. Robertson was the more moving spirit until John Nicholson came in; and I must say, honestly and above board, that when I found I had to do this I took more to Nicholson. I thought Nicholson seemed to have more of the business man about him than the others.

16. Q.—Were you introduced to Johnstone Robertson?

A.—That I couldn't very well say positively, but I remember an interview in Mr. Walkem's office, in one of these buildings—in the Executive office.

17. Q.—In the Executive office?

A.—In the Executive office is where I understood I was with Robertson. That was the formal meeting, as far as I can remember.

18. Q.—What transpired on that occasion, do you remember?

- A.—That was about the final settlement, the closing up of the matter. We met there, and Mr. Walkem said: "Now, you two men close up in whatever way you have arranged to close up this business; I have some work to do," and he went over to the desk and we continued talking the matter over, close by him; he heard everything that was going on; he knew what was going on before we commenced at all, and he knew what the purport of the business was to be. You see I had to get these men to accept all the sub-contracts I had made here for material; that was part of the understanding; they were to take our position and I was to walk out.
19. Q.—You were to get 10 per cent.?
A.—Yes; on the gross amount of the contract.
20. Q.—What was the gross amount of the contract?
A.—Three hundred and fifty and some odd thousand. But should the contract have given extra work, as all contracts generally do, why I expected to get 10 per cent. on whatever the gross amount received from the Government would be.
21. Q.—After concluding this bargain with the local contractors, Robertson, Huntington and Nicholson, you went back again, did you?
A.—Yes; and Mr. Walkem accompanied me to Esquimalt to take the steamer for San Francisco.
22. Q.—You went back to Montreal, did you?
A.—Yes.
23. Q.—Did you come out again?
A.—No; I sent my partner, Mr. Nish. Mr. Nish came out here to see what was the trouble and what was the cause of the delay.
24. Q.—You only know what occurred, then, from what Mr. Nish told you?
A.—That's all.
25. Q.—Have you paid any money in respect of this contract?
A.—Yes, sir, I have.
26. Q.—Tell us what money you have paid?
A.—\$40,000.
27. Q.—Can you give us the details of it?
A.—Yes, sir; this account (produced) shows it.
28. Q.—What was the total amount expended by you?
A.—\$40,633.13.
29. Q.—Is this document that you produce a correct account of what you paid?
A.—Yes.
30. Q.—That has all been paid in actual cash, has it?
A.—In actual cash.
31. Q.—On account of this contract?
A.—On account of the graving dock contract, by F. B. McNamee & Co.
(Account of moneys paid out marked "A.")
32. Q.—Paid through you, individually?
A.—Yes.
33. Q.—Those moneys were paid to people in British Columbia, principally, were they not?
A.—Principally in British Columbia. I had a great many suits brought against me.
35. Q.—They sued you in Montreal?
A.—Yes, they followed me from here.
36. Q.—Now, besides this forty thousand six hundred and some odd dollars, are there any claims which still remain unsettled?
A.—Yes, about \$8,000.
37. Q.—Claims which have been sent in?
A.—Yes; and by the time we get through, from my experience, I think we will be doing very well if we get off with \$10,000.
38. Q.—\$10,000 in claims still unsettled?
A.—Yes; I fully expect that as soon as it is known that we are going to close this up, they won't diminish any.
39. Q.—Do you know whether those are all claims which will have to be settled?

- A.—They will have to be provided for.
40. Q.—Have you examined them?
- A.—Yes, I have. Mr. Nicholson and myself want to pay off every *bona fide* debt that is due. They are all outlawed, but that is nothing. I have paid all my life, and I want to pay now, every cent of *bona fide* debts that is due.
41. Q.—These claims, you say, have all been outlawed, but you want to settle them?
- A.—Yes, pay them, and be done with it. I have risked my life to get out here to settle this thing, and I want it closed.
42. Q.—You received some money from the Canadian Government?
- A.—About \$17,000.
43. Q.—Can you give us the exact figures?
- A.—It is very near \$17,000—\$15,000 and some interest. It was to be more than that, but they made a mistake in figuring it out.
44. Q.—Did you get any more than \$17,000?
- A.—It is as near \$17,000 as I can remember. The Bank of Montreal got it; they know.
45. Q.—It was paid to your credit?
- A.—Yes, it went into that hole—helped to fill it up. The Bank of Montreal have carried me all through.
46. Q.—Beyond that, you had nothing in respect of this matter?
- A.—No.
47. Mr. Martin: The total amount expended on the dock by you is some forty thousand?
- A.—Yes.
48. Q.—Out of that you received the sum of \$17,000?
- A.—Yes; and there are claims out—about \$10,000.
49. Mr. Grant: Are those claims held by business men?
- A.—Yes.
50. Q.—For supplies?
- A.—Yes.
51. Q.—Not for labour?
- A.—No, none at all.
52. Q.—Technically you were a legal partner with those local gentlemen from the time they went on the work here?
- A.—Unfortunately for me I was—that is where the drop fell on me, besides the loss of the profit on the contract. In those days, in spite of all talk to the contrary, I believe you could do work cheaper than you can now. Provisions of every description, as far as I could see, butcher's meat and all that sort of thing, was cheaper here than in Canada. I had better prices—and the cement for nothing—than what Connolly and McGreevy had. I believe, as honest as the sun, that had I been let gone on with that work, with our experience and the way we had of carrying on such work, I would have taken \$150,000 out of that contract, clear, clean profit. Onderdonk was going on with his railway work; his men landed at Esquimalt, and we would have had the pick of those men. We could have got any amount of men, for if we couldn't find them already in British Columbia we could have our pick of those men as they landed.
53. Mr. Helmcken: You mean to say that you wouldn't have had any difficulty of getting first-class workmen?
- A.—Not the slightest.
54. Chairman: You say you have done similar work in Canada. What works have you completed there?
- A.—Large portions of the Welland Canal, Lachine Canal, Montreal Water-works, Quebec Water-works and Chambly Canal that connects Lake Champlain and the River St. Lawrence. I have been on public works since 1841. I assisted in building all the roads on the Isle of Montreal, commenced in 1841. I was the first Canadian employed by Peto Brassey, in 1852, on the Grand Trunk Railway; was with them until they finished.
55. Mr. Grant: Can you give us a memorandum of the plant that was taken over by the Government?

A.—There is a list of it printed in some of the books. I think, Mr. Chairman, that my evidence should be taken as to me sending out my partner and my foreman mason, again. When there was some misunderstanding between Mr. Walkem and these local men I sent out my partner and my foreman mason to resume the work, to go on and make a finish. Mr. Nish and our foreman came out and tried to get possession of the work, and the reason Mr. Nish gave me for not getting possession of the work was that Nicholson and Robertson wanted him to pay them over the amount of money for their time and services, as well as paying up all the debts. He agreed to pay all the debts, but he wouldn't pay them for their time. Then he tried to get it by an injunction but didn't succeed, but Mr. Walkem, as he told me, said: "all right, I will get you possession of it; I will bust them." That was the word, "I will bust them on the next estimate and get you possession of it." Then he said that in the evening of the same day Mr. Walkem whispered to him that there was a law of *capias* here and that he had better look out.

56. Q.—You didn't get possession of the contract again?

A.—No.

JOHN NICHOLSON, called and sworn. (Examined by the Chairman.)

57. Q.—What is your name?

A.—John Nicholson.

58. Q.—Will you tell us how it was that you came to be associated with Mr. McNamee in the contract for the construction of the Graving Dock?

A.—A few days previous to the signing of the agreement, I think two or three, I met Mr. Johnstone Robertson in town, and he explained the matter to me, and asked me if I would like to make arrangements with them and with Mr. McNamee for this contract. I said I would like to see about the size and cost of the contract, so, that same evening, we went over all the different classes of material, as far as I know. We came to a conclusion about the schedule of prices—the schedule that Mr. McNamee had—and I agreed to go in with him. Then the next day, or a day or two afterwards, on a Saturday, if I remember right, we all met at Rocke Robertson's office, and it was there that the final arrangements were made, the deed of partnership was drawn out, and I got the power of attorney, under certain conditions. If I recollect rightly, it is what Mr. McNamee says, he was to get ten per cent. profit. Johnstone Robertson said that there was to be a great deal of extra work, and I don't know whether Mr. McNamee had the percentage on that, in case we finished it; I can't say, I don't recollect.

59. Q.—Did any members of the Government know that you had taken over this contract from McNamee?

A.—Not in the least; no. After I had signed I met Mr. Walkem on the bridge and he said:—"I am very glad you have taken hold of this work and whatever is fair and right I am perfectly willing to do." But unfortunately they didn't do it. I have had a pretty hard dose from them. But he and the other members of the Government—so far as I was concerned—knew nothing about it until after I signed. I think it was on the bridge I met him.

60. Q.—After signing the contract?

A.—Yes; he tapped me on the shoulder, and he said he would do everything in his power, so far as fair play went, to help me along. Before that I had nothing to say to him in any shape or form. Of course I expected I would get fair play. After working for seven years as Superintendent of Roads, I thought it was very hard lines the way they treated me. At the time Mr. Nish came here it appears that Mr. Walkem wrote letters notifying Mr. McNamee that we were not going on satisfactory with the work, and so Mr. McNamee's partner, Mr. Nish, came out here and wanted to have us give up the work. He came to me and said:—"You are manager here and have the power of attorney for the whole company, and complaints have been made, and I want to see if anything can be done. The Government think you are not getting

along satisfactory with the work." I took him into the book-keeper, and I told him to show the books, and I took him into the engineer's office and told him to show the whole affair. I said:—"We have nothing at all to hide in this matter, and in anything that is fair and right I am perfectly prepared to meet you." Well, we walked around, and after awhile he said:—"Well, Mr. Nicholson, I will be down to-morrow;" and from that day to this I didn't see Mr. Nish. He went away that night. I didn't know the cause until I saw it in Mr. McNamee's evidence, given in the House of Commons in Ottawa.

61. Mr. Helmcken: What date was that?

A.—In 1882, I think in the spring some time. In April, I know, we were bust up. We were going on with the work and in the month of March I expected to get an \$18,000 estimate. According to the terms of our agreement we had to do \$10,000 worth of work before we could get an estimate. Then, at that time, they knew that my note for \$11,000, backed by Stelly and Sayward, was due in the bank, and they got that report out to injure my credit, and so I thought I couldn't do anything more. Then he took the measurements and he said we had only \$9,000 of work done. At this time the cement was running out, and it was there and then that they found that it was going to cost \$200,000 more for cement; and it appears that Mr. Walkem had told the House, when he let the contract, that he had enough cement to build the dock. Then, after this measurement, some friend of mine spoke to Mr. Walkem and told him that I complained that there was something wrong in the measurements and asked him to get a re-measurement. He did so, but I was burst by that time. As near as I can recollect he took the new measurements three or four days after I was burst.

62. Mr. Grant: Who did?

A.—Mr. Bennett, the engineer. He had made it \$9,000 before, and that was the cause of my suspending the work.

63. Q.—Have you any documentary evidence to that effect?

A.—I have a receipt from the Bank of British Columbia. When I got the certificate I had to give it to them to clear off these bills.

64. Chairman: How much was it?

A.—Fourteen thousand and some odd dollars.

65. Mr. Croft: Instead of nine thousand?

A.—Yes. If I could have got the money at the right time I could have gone on with the work; there was only \$100 or so more work done. There was two watchmen put on after that, I think about the 11th of June, and we had to get liberty to do the \$100 or so worth of work that was done between those two measurements so that the wall would not be injured. I was expecting that some settlement would be made and I didn't want the seawall injured. Then they wouldn't let us touch anything, and about the 28th of June Mr. Beaven came and took final possession of the dock. Some time in July they paid us the last estimate. We had to pay ten per cent. in the bank for the accommodation until such time as the money was paid, and on all the four estimates we got we had to pay ten per cent. to the bank for accommodation because we couldn't get the money at the regular time. In fact, I was persecuted from the beginning.

66. Mr. Grant: The certificate of estimate?

A.—Yes.

67. Chairman: Tell us what money you have put into this contract?

A.—I have a statement here. (Produced and marked "B.")

68. Q.—This statement ("B") is an account of your losses in the concern, is it?

A.—Yes.

69. Q.—Is it a correct statement of the losses which you have sustained on this contract?

A.—Yes.

70. Q.—This entry—"Jan. 21st, cost advanced for labour and material, \$7,100"—how was that sum advanced?

A.—Paying the men from time to time, and in paying various bills?

71. Q.—Have you any particulars of that sum?
A.—No; only the books.
72. Q.—Where are the books?
A.—In the Registrar's Office. My own private book was burnt at the time of the fire in Esquimalt. Everything I had was burnt.
73. Q.—Do you swear that you paid that sum out in cash?
A.—Except what is due. Mr. Selleck was owing me \$750 at the time I went down there, and I bought a scow from him for \$200 for the company, and he wouldn't pay me until the company paid him for the scow. There was a note to George Vye for that \$700. He wouldn't take the company's note, and I gave him my own note, and he sued me personally for it; I think Mr. Helmcken has the judgment. I paid \$200 on the note, and it is included in that statement.
74. Q.—This statement ("B") shows an expenditure of \$7,100 in cash. Now, I understand you to say that you have expended that sum with the exception of—what?
A.—Of \$500.
75. Q.—Was that the \$500 for the company that you say you were sued on?
A.—Yes.
76. Q.—You are responsible for it?
A.—Yes.
77. Q.—Then \$6,600 you have paid out in hard cash, and \$500 you are still responsible for?
A.—Yes.
78. Q.—You say the particulars are to be found in the company's books, and that the Registrar of the Supreme Court has them?
A.—Yes.
79. Q.—Johnstone Robertson is dead?
A.—Yes.
80. Q.—The Registrar of the Supreme Court is the administrator of his estate, and on that account has possession of the books?
A.—Yes.
81. Q.—You have told us that Mr. McNamee was to get ten per cent. on the gross amount out of this contract?
A.—Yes; that was our agreement.
82. Q.—Was any part of this ten per cent. ever given to him?
A.—No; only \$1,000 when we concluded the agreement. That is all the money he received from me.
83. Q.—At the time of concluding the agreement he got \$1,000?
A.—Yes, and that was all the money he received from me. That is all the money he ever received.
84. Q.—Was there a promissory note, or anything, given or asked for?
A.—There was a certain clause or agreement to that effect in the deed of partnership, but I don't know that there was any note. I think there was an agreement in the deed of partnership that \$15,000 was to be paid to him within twelve months, with the exception of the \$1,000 given to him in cash, and when we would pay that to him the \$10,000 which was deposited with the Government had to become our property, but unfortunately we never could pay it.
85. Q.—Did you give him a note, or did he ask you for a note, for this amount?
A.—I think he drew a draft, but we couldn't honour it.
86. Q.—Who drew it?
A.—Mr. McNamee.
87. Q.—For how much?
A.—\$15,000.
88. Q.—How did you know about it?
A.—I think Johnstone Robertson was the man who told me about it first. The bank notified us.
89. Mr. Grant: Was it drawn on the firm?
A.—Of course, on the company; but it was I that attended to the whole of the financial business.

90. Q.—The draft would be drawn on McNamee & Co., in British Columbia?
A.—Yes; there was a clause in the deed of partnership that the firm name should be McNamee & Co.
91. Q.—Was it stated in the deed of partnership how much Mr. McNamee was to receive?
A.—Yes.
92. Mr. Croft: Ten per cent on the amount of the contract?
A.—Yes.
93. Q.—And on the extras?
A.—That I don't know.
94. Mr. Grant: Did you receive payment in full for the work done by you on the Dock up to the time it was taken from you?
A.—No, we did not.
95. Q.—How much was kept back?
A.—Ten per cent. off every estimate.
96. Q.—You were paid up with the exception of ten per cent.?
A.—If the measurements were right. Of course, I don't know that; the engineer kept track of that.
97. Q.—Who was acting as your engineer?
A.—Mr. Mahood, first; and then Mr. Farwell.
98. Q.—Did Mr. Farwell make measurements on your behalf?
A.—I couldn't say; he was always with Mr. Bennett while he was making the estimates.
99. Q.—Was it considered, at the time that the contract was taken from you, that you were paid up to 90 % of the work performed?
A.—No; the engineer told us that he refused to give us the measurements for rock. He wouldn't give us credit only for what the original plans called for in rock work; and, if I remember, there was 1,700 cubic yards of rock excavation that we were thrown into by shifting the site. That let us into an immense amount, and he wouldn't give us any measurements, only according to the original plan. Probably there would have been no extras on that portion of the work, but, when he shifted the site, that threw us into an immense amount.

(Certified copy, Power of Attorney, dated 28th August, 1880, handed in by Mr. Helmcken and marked "C.")

Committee adjourned to call of Chair.

FRIDAY, 6th March, 1891.

Meeting of the Select Committee, adjourned from Saturday, 28th February, 1891.

Present:—Hon. T. Davie, Q. C., Attorney-General (Chairman), Messrs. Grant, Croft, Martin, and Sword.

Mr. H. D. Helmcken appeared for McNamee & Co.

Hon. Mr. Justice WALKER stated as follows:—

I have read Mr. McNamee's evidence, given before this Committee on the 28th day of February last. The first question is about the interest. I made no agreement whatever to give him six per cent. It would have been silly to have done so, as we had just signed a contract, incorporating specifications, in which it is provided that the deposit of \$10,000 should bear five per cent. interest. He was very familiar with those specifications—seemed to have them at his finger ends. He spoke, it is true, about the interest out here; but didn't (after signing the contract to take 5 per cent.) ask me such an absurd question as to change it to 6. I don't know whether he has made the statement before you, as he has elsewhere, but still I would like to state that I had nothing to do with forfeiting his deposit of \$10,000 or taking the work out of his firm's hands. I never so interfered; on the contrary, I endeavoured, as far as I could, to save him in every way. It was all done by Governments that succeeded me. I was well inclined to him, because when he was here he conducted himself properly. I have said so on my oath before. I did all I could with Mr. Ward of the bank to have matters made easy with Johnstone Robertson and the others. In fact, as far as Mr. McNamee was concerned in the matter of this contract, I think he conducted himself exceptionally well in all his negotiations with me, so that I could have had no personal feeling against him. With regard to the local partnership, when he came here in August or September, 1880 or 1881, I

forget which year, after repeated threats to forfeit his contract, at his first interview with me he said he had come out to see if he couldn't get the commencement of the work deferred. There was a clause in the specifications requiring a commencement within a certain time after notice given by the Chief Commissioner. I had given that notice. I told him it was impossible. He said: "You are very strong in the House; the Legislature will back you up," or words to that effect. I told him that if I postponed it, as he wished, until the spring, the Government wouldn't stand an hour, which would have been the case, I have no doubt. He said that his main managing man was a Mr. Nish, or a Capt. Nish, and that he wanted his presence here, particularly, to manage the work; that Nish was at that time engaged on large works in the East—I think he mentioned the Welland Canal, but I am not sure—that Nish could not leave. I asked him about his other partners, and he said it did not matter so much; that Nish was the man whom he intended should take the control. He left me then. I saw him the next day, and I think, but am not sure, that it was not until after his return from Yale or from up-country, whither he had gone, that the question of what is called "local partners" was then raised by him. Johnstone Robertson and Huntington were not on speaking terms with me at the time, because I had given the contract to Mr. McNamee and not to them. But Robertson came over to my office—I don't remember why—I certainly did not send for him, because I had my own idea of those men at the time. A large petition had been signed in town, during my absence in Ottawa, to bring pressure on the Government to virtually take the contract away from McNamee and give it to the local firm—that is, to Johnstone Robertson, Huntington and Nicholson. I, of course, resisted this. Mr. McNamee, I think, asked me one day where Johnstone Robertson or these people were to be found. He knew of them because when in Ottawa he handed me a letter written by Johnstone Robertson to him, asking him to abandon the contract if he had gone into it, or, if he had not, then not to go into it, as his (Robertson's) tender was \$476,500 and some odd dollars, while Mr. McNamee's was only about \$350,000, and they would divide the spoil. Mr. McNamee gave me this letter. It was written in pencil. I kept it, and let the men here know, indirectly, that I had it. In that way Mr. McNamee knew of their existence. At any rate, he came into my office one afternoon, about half-past two o'clock, and said: "I have just hit the thing. I have seen Mr. Robertson, the lawyer, and I am going to take those men in as local partners." I said I didn't care what he did, so long as the contract was intact and he went on with the work; that that was the pressing necessity. There had been a delay of some months, with telegrams and correspondence as to commencement passing at the time. He said he thought it was an ingenious idea. I said so too. Whether he saw these men outside my office first, or not, I don't know, but Johnstone Robertson was in my office, and he and Mr. McNamee made, or commenced to make, their arrangements there. They must have talked about it before, I should think, or else Mr. McNamee must have carried the plans all in his head; but whether they did or not does not matter now. I heard something of what was arranged. I told them I didn't want to embarrass myself with other people's business; I had enough to do, and they must make their own arrangements, and any arrangements they made between themselves would be their own business; that I had only the one object, that was to have the contract carried out. They went into the next room, and, hearing part of the bargain, I said to Mr. McNamee (I believe he has made this statement himself), "You are too hard on these men; it won't do, if you are going to carry this out, to press the life out of them," or words to that effect. I heard enough of the bargain then to convince me, though contrary to what Mr. Bennett and I concluded about it afterwards on calculations, which turned out to be quite correct, to try to dissuade Johnstone Robertson, after Mr. McNamee had left my office, from entering into it; not for the purpose of doing any injury to Mr. McNamee, but because I was satisfied that they couldn't go on with the work on his terms. I said: "You are squeezed; you won't be able to turn," or words to the same effect. However, he concluded to go in, and he did. I have since understood that the contract between them was drawn up by the late Mr. A. R. Robertson. I have never seen that contract, or cared to see it; it was a matter of indifference to me. I also understood that the contract has been lying in the safe in Mr. Robertson's office ever since, because there was a lien for the fees, or something of that sort. Mr. Eberts offered to show it to me on one or two occasions, but I said it didn't make any difference to me. After Mr. McNamee (and you will see that the correspondence bears me out in this) had made his arrangements with these local men, he wanted me to release him and accept them instead; Johnstone Robertson being equally anxious to be recognized here as Mr. McNamee's partner. I told them I couldn't do so, it being a well known principle of law that if I changed the

partnership, or recognized the change officially in any way, or assented to it, the bondsmen would be discharged. I said: "You can still carry on your arrangements satisfactorily, and so give me no trouble." The next thing was as to the payment of moneys. The moneys, according to the specifications (I am speaking from memory), were to be paid on certificates given during the progress of the work, in sums of not less than \$10,000. That is to say, no certificate was to be made out for less than that. This certificate was to be signed by the resident engineer. I said I couldn't pay any of these certificates to the local men, as I would be thereby recognizing their partnership officially, although, of course, amongst themselves the thing existed. (All this was explained to the House of Assembly, and approved of.) Consequently, it was advised by Mr. A. R. Robertson, that a power of attorney should be left by the firm of McNamee & Co. in favour of the partners here, or some one of them—I forget now which—authorizing them or him to draw the money on the certificates as they became due. I forget whether that was done, but I suppose it must have been, for there must have been some power to draw the money. Mr. McNamee will very well recollect coming in to me on a future day and asking me what I thought of these three men. I told him: "For your own safety you will have to look out for Johnstone Robertson and Huntington, they are not very straightforward; as to John Nicholson, I have always believed he was an honest man." Mr. McNamee said: "I have heard that in town about the others; however, I rely on you while I am away helping me in every way, as we have a common object." He may not have used these exact words, but to that effect. I told him that I would do so with pleasure. I carried out my word to the letter, and much beyond it (perhaps he is not aware of it), and refused, under great pressure, to either forfeit his \$10,000 or take the work or contract out of his hands. He has an idea, I see from his evidence given in other quarters, that I did both. The records of the Government will show that what I am stating is strictly accurate. I did all I could to protect him. Some weeks after September, 1881—that is, about a year after he had left—Captain Nish, as he calls him, came out with, I think, a Mr. Stuart. I am not sure but that Mr. Stuart was another partner. Nish spoke to me about the graving dock matters, of course. I told him that he was very much wanted in the field; that he could go down and see for himself whether my grounds of complaint, in letters direct to McNamee & Co. (they are published, I think, in the Journals), were not fully justified. He came back and said: "They have no plant worth talking about for work of that description, and the sums paid to them already in certificates—some \$30,000—shows that they have done little or nothing for the period of time they have been engaged in the work; there ought to have been more than two or three times that amount of work done." He also said that a gentleman with spectacles had told him that there was a question about change of material between Johnstone Robertson and myself, and that I had agreed to it. Nish said to me: "I told him that they hadn't a leg to stand on; that according to the specifications any change in stone or other material required the assent of the Chief Commissioner in writing, and that as they had not got it, it was useless talking about it." I informed Mr. Nish that it was understood that a Committee of the House would sit shortly to enquire into all these matters, and asked him if he would give the same evidence before the Committee that he stated to me. He said certainly. He said he could do nothing with Johnstone Robertson and he was afraid there would have to be a law suit. He saw Mr. Hett, who came over to see me with a view to forcing matters and taking the work out of their hands, and I heard for the first time, from him or Mr. Nish, that according to the written agreement drawn up by Mr. A. R. Robertson, McNamee & Co., of Montreal, could take the work from the local partners in the event of unsatisfactory progress being made, after twenty or twenty-four hours' notice, I really forget which, but that document, wherever it is, will speak for itself. That was the statement made, and I believe it was true. Mr. Nish afterwards came in and begged me to accede to Mr. Hett's request, on behalf of the Montreal firm, to delay taking the work out of their hands, as I had threatened to do for want of progress, as they were doing all in their power, as I would see, to get the thing into their own hands and put it in good shape. I told him that the Dominion Government had already threatened to take over the work themselves, and that I could make no further concession, but would do everything I could to help Mr. McNamee. He said he was very much obliged to me. He said: "I am between two fires now, and I don't know what to do. What would you advise me to do?" I said: "I can't advise you, you have got hard men to deal with. I told Mr. McNamee so, and warned him; he knew their character, as he said, from enquires in town, and also from me." He then said to me: "What about the creditors?" Whether he said suits had been commenced, or would be commenced, I can't say; but he said: "In the event of

my leaving, can they stop me?" I said: "I dare say they can." He said; "Do you mean *capias*?" I said: "Yes." But I said: "There will be no necessity for that if you are going to do what you have told me you are to do, that is, stop and see this thing out." He said: "That is true." He agreed to meet me next day and tell me what had been done with regard to getting control of the work, but he seems to have left next morning. The man was, when I saw him, very courteous, and, under the circumstances, very reasonable. In fact he seemed to be a quiet business man, and outside of his partnership difficulties I told him that I would help him in every way possible, as I was very well disposed to Mr. McNamee. It is impossible for him to truthfully make any other statement than that. The language alleged by Mr. McNamee to have been used by him to me about vulgarly "bursting" the Government and seceding from the Dominion, is too ridiculous to require comment. Nothing like it was ever used. In the month of March, 1882, the Committee sat in the House; the Session was about expiring then. I gave some evidence there, but whether that evidence is in the Journals, or not, I really don't know. It is preserved somewhere. If any of you gentlemen think enough of it to read it over, I dare say that you will find in it a good deal of what I have stated now, with perhaps a few omissions. On the 20th May, 1882, I received a telegram from Mr. McNamee, to this effect: "Have read your evidence before Dock Committee, and can substantiate every word of it," The telegram was voluntary—it was unexpected. I had never written to him, or conveyed any message to him, directly or indirectly, with respect to the Dock Committee investigation. I certainly would not have condescended to ask him or any other man whether my statement was accurate or not. However, I was pleased that he was man enough to volunteer that statement. I showed that telegram to Mr. Bennett, who made the remark: "It is very satisfactory." I showed it to other gentlemen, whom I needn't name here, because it is of no use dragging other names in. As to threatening to take the work from McNamee & Co., or to forcing the new men in, the statement made by Mr. McNamee, so far as it disagrees with mine, is, I regret to say, in every sense inaccurate. I stated before that Dock Committee what I now state, that, from first to last, I endeavoured to assist him in every way possible. He was, probably, and is, ignorant of that fact. My negotiations with Mr. Ward, of the Bank, who offered to give his evidence on the subject before the last Dock Committee, will bear this out. I asked him to show the local men every latitude possible. I instructed Mr. Bennett, the Engineer, in making up the \$10,000 certificate, to stretch a point and make up that sum, not only from actual work, but to allow them for their little extra plant or other things, so that they would get money to carry on the work. The statement about the \$10,000 deposit having been paid in Montreal is correct. All this has been before the House. With regard to that \$10,000, I believe that when I came over here, but I am not sure, that I had it placed in the Savings Bank, because, as it was bearing 5% interest, and we would get the current rate at that time of 5% from the Savings Bank, the interest account would be balanced; at any rate, that was my idea at the time. I suppose Mr. McB. Smith's records will show that the money was afterwards transferred to the general account in the Bank of British Columbia. Whether it went to the general or a special account I don't know, because I didn't do the banking business of the Government; it was done in the Treasury. At any rate, it was not a very important sum for a Government to handle. Mr. McNamee says: "Mr. Walkem persistently kept urging me to give up the contract to three British Columbians. He named them three British Columbians." The facts show exactly the contrary, for I refused to release him. I spoke to him one day, as I thought it was a matter of interest to me as a member of the Government, about the probable profit on the work, because, if he had a profitable job, I could of course feel assured that the work would be carried to completion. He gave me the prices of meat, vegetables, or to put it generally, food, material, and supplies, in all particulars as he had ascertained them in town from different butchers and grocers, and from other parties. He said he could board the men for a certain sum per week, or per day or per month, I forget which, and that he had had long experience in these matters, all of which I believed to be true. He said he might make \$125,000 or \$150,000 out of this, and that I would help him exceedingly if I would only just defer the work to the following spring. That would be from August to April or May, and I am not sure that he did not mention June—at any rate, to the following spring, was his request. I sat down some time afterwards and made a calculation from his figures of what it was worth, and found he and the local men ought to make about \$150,000 out of the job. I got Mr. Bennett to check it. Mr. Bennett came to within a few thousands of my figures—ridiculously close. I was quite pleased at the result, because I was satisfied, then, that we

would have a complete dock. Outside of any feeling of friendship for Mr. McNamee, which I confess I had, as he was an old Montrealer, I declined to forfeit his \$10,000, or to take the work out of the hands of the local men, as the result in the end would have been serious to all the workmen, who would of course go unpaid. I looked at it from a public standpoint, and thought it bad policy, and, therefore, left others to do what he claims to have been done by me, but which I had nothing to do with. Mr. McNamee states: "If I wouldn't give this contract to these men, Mr. Walkem said his Government couldn't hold office three months, and that British Columbia would go out of the Union," &c. That is absolutely without a shadow of foundation. "Mr. Walkem said: I will show you how to do it; you will take them in as partners, they allowing you 10 % on the gross amount." That is also without a shadow of foundation. He has got these things mixed up; I don't wish to believe he is misstating them deliberately. He knows that he saw Mr. A. R. Robertson; he knows that every word I have stated here, now that I have reminded him of it, must be true. The whole of the statement with regard to my going to a lawyer—to Mr. Rocke Robertson, or ever seeing that gentleman, except, as I have stated, when he came to my office—is without foundation—is inaccurate. I don't know whether I introduced Johnstone Robertson to McNamee, or not; he was never in the Executive office—Mr. McNamee very likely means the Attorney-General's office—but these are specimens of inaccuracies which will at once be seen by members of the Committee. I may have stated—and it is very likely I did state—as he has stated here: "Now, you two men (McNamee and Johnstone Robertson) close in whatever way you like; I have nothing to do with your arrangements; I must get to work—I am a busy man." He says I went over to a desk, and heard all that went on. I did hear a great deal of what went on. All this was an open secret in the House at that time, because the members were rather glad that local partners had been taken in, expecting that thereby the money would be kept and spent in this Province. When he asked me, also, to release McNamee & Co., of Montreal, and give these other parties the contract—in other words, allow McNamee & Co. to throw up the direct responsibility of the whole matter—I said it was absurd to think of such a thing, because Johnstone Robertson's tender was nearly \$127,000 more than McNamee's, and, in addition to that, I didn't want, even at McNamee's figures, to take a firm of local men whom I did not consider to be as good as the firm I had already got; the latter being experienced contractors dealing in large works all over Eastern Canada. Mr. McNamee states the fact when he says I accompanied him to Esquimalt, very anxious for him to see Sir John Macdonald, as his impression of the country had been very favourable, and impress upon Sir John the necessity of pushing forward the Canadian Pacific Railway. I said: "Provided you do that, and assist to get that road built, I will give you every possible assistance in your dock contract." Of course, that was not a personal matter—it was a Government matter. Nish didn't keep his word with me to meet me again; but I suppose, as he said, he was between two fires, and found them pretty hot and so got out of the way. But in all this, as I explained to him at the time, they were the responsible parties. He should have been between no fires. I knew nothing about their suits. I know nothing about any payments, except the payments made by the Local Government on certificates during progress of the work. I may say that the \$10,000 was deposited in accordance with the terms of the contract, which (I am speaking from recollection) required bonds to the extent of \$25,000 and a cash deposit of \$10,000, which deposit was to bear interest at 5 per cent. All that is in print. All this was subject to the completion of the contract in accordance with the conditions in the specifications. Mr. McNamee speaks here, I see, of the Welland Canal. I think that was where Mr. Nish was engaged when Mr. McNamee came out here and asked for more time in which to commence the work and I refused to grant it, as the House would not stand it, and I did say that they wouldn't allow the Government to exist for an hour if the request were granted.

To the Chairman :

1. Q.—At the previous enquiry a good deal was said about some promissory note for \$15,000 ; perhaps you might like to make an explanation about that?

A.—There is nothing depending on that now. There is nothing made out of it now—nothing attempted. An explanation has been given of it ; it was a ridiculous thing. Mr. McNamee wrote over to me to get a note—I forget the amount of it—signed by the local men here. I was inclined to laugh when I got his letter. I met Huntington on the bridge and I said : "Huntington, Mr. McNamee has written to me about some of your private arrangements and

wants a note for \$15,000, or whatever it was, signed by you. I know nothing about your written agreement made in Mr. A. R. Robertson's office, and don't want to meddle in it. I have only to ask you whether you will sign it or not, as he requests." He refused, and said that it was not according to their written agreement, whatever it was. We were going into town together, and he turned off and went down to see Mr. A. R. Robertson about it. That is all there is about that note, first and last of it. I wrote to Mr. McNamee, according to my recollection, stating that he must get somebody to attend to his private business here, that I couldn't meddle in these things. He also wrote to me afterwards about some powder that was seized by the Custom House. I did take interest enough to try and save his powder. He is probably not aware of it. I had some interviews with Mr. Hamley. I wrote to him, however, that he had better get some one to attend to these things, that I was too busy, and recommended Mr. Rithet, who was a commission agent at the time. Troubling a Premier of a Province about a few cases of powder was perfectly ridiculous.

2. Q.—In any other matters in relation to this enquiry the Committee, I suppose, can refer to your former evidence?

A.—Certainly. My evidence then was fresher; it is ten or eleven years ago. There are, however, a number of insinuations there, prompted by political motives. The public wouldn't believe what was suggested.

3. Q.—You say that after this interview between Johnstone Robertson and McNamee in your office you remarked to Robertson, "You are squeezed and won't be able to turn." In what way was it that McNamee was squeezing them?

A.—So much of the terms as to payment of money and otherwise, that I had overheard, were too onerous. I didn't want these local men to fail in any respect; I wanted the work carried on; as I told Mr. McNamee, I didn't care who did it, as long as it was done. Then, afterwards, in the House I gave an explanation of the admission of the local men into the partnership, but stated that I had declined to recognize it officially or in any way discharge the old firm. I was asked the question as to how the bondsmen stood. I think Dr. Ash brought the matter up, but I am not positive.

4. Q.—Mr. Croft: Mr. Nicholson stated that Mr. Bennett gave an estimate for \$9,000, and afterwards, when no additional work had been done, brought it up to \$14,000.

A.—I have a clear recollection about that estimate. What I call a short estimate came into my office for \$9,000—either that or odd. Of course I couldn't receive it; it couldn't be paid; it was a breach of the contract. Mr. Ward came to me and spoke to me about the men, and I said to him just what I have repeated here, to show the men every favour he could, and he said: "If I advance anything to them will the Government be responsible?" I said: "Well, you must deal with each certificate as it comes." He was discounting them. As each certificate arrived it was placed in the bank and Mr. Ward came over to see me, and in each case I guaranteed that payment would not be opposed for any reason. That was to be certain that each amount would be paid, and that there would be no set-off against it. This \$9,000 measurement I told Mr. Bennett could not be paid. I don't know which of them it was came to see me about it, but I saw Mr. Bennett again and I said to him: "Cannot you add something legitimately to this so as to give them a chance; don't tie them down too strictly to the specifications by a measurement of the work, but take in everything you can?" Mr. Bennett's remark to me when he came back was: "I have cleaned up everything that I possibly could stick in; the only question is about your signing it." I said: "I depend upon your signature. If it is legitimate I will sign it; if it is not I won't; you needn't ask me." He said he had made it up to \$14,000, but I forget what he told me he had included so as to give me fair warning that I must take some responsibility about it. Well, I said: "Sooner or later these extra figures will come in." He said: "No, not till the completion of the contract." Anyways this amount was made up and they got a certificate for what they

were not strictly entitled to. This is one of the instances given of endeavouring, as far as possible, to help them. It was against the interests of the Government that the work should be in any way hindered or stopped.

5. Q.—Mr. Grant : By “strictly entitled” do you mean they were not entitled to it at that time or not entitled at all?
A.—At that particular time, of course. I said, sooner or later they would have to be paid for this if they completed the work.
6. Q.—Mr. Grant : The question of extras would not come in until the completion of the contract?
A.—It was not for extras. I really think some of the plant was in it. They had got into an outlay that had crippled them, for the little plant they had. Their plant was ridiculously insufficient.
7. Q.—Mr. McNamee : At any time did you tell me that Mr. Nicholson had \$23,000 in the savings bank?
A.—I told you I had heard that Nicholson was reputed to be a man worth about \$20,000.
8. Q.—Mr. McNamee : Didn't you tell me that he had that amount, to your knowledge, in the savings bank?
A.—No, because I couldn't know that. I told you he was an honest man.
9. Q.—Mr. McNamee : And was worth \$20,000?
A.—Probably worth \$20,000. That was the reputation he had in Victoria at that time.
10. Q.—Mr. McNamee : You said nothing about cash in the bank?
A.—Nothing about cash in the bank, for I didn't know about it, and don't know to this day. You may have got the information from somebody else. We were speaking of their characters and in that way the subject of their means came up and I told you that the two other men were worth nothing, but that Mr. Nicholson, I believed, had the reputation of being worth twenty or twenty-five thousand dollars.
11. Q.—Do you know that I had a foreman carpenter on the ground when this contract was handed over to these men?
A.—Yes, I believe you had ; I am not sure whether you brought the man out with you, but I believe you had one.
12. Q.—Do you know that my foreman mason I brought out with me had gone back to ship material out here?
A.—No, but I believe you intended to do right at that time. I have said all through that I believed that you intended to do strictly right at the time you were in my office. As you said yourself you had too good a thing here to let it drop.
13. Q.—Chairman : That was what Mr. McNamee said himself?
A.—Yes. I was incredulous about it until I sat down and figured it out, and I wouldn't trust my own figures until I got Mr. Bennett to check them—till Mr. Bennett checked off a clean \$150,000.
14. Mr. McNamee : Mr. Beaven was present at one of these meetings?
A.—Yes ; I suppose so ; there were several meetings. I have said before that you conducted yourself in a very fair way. I am very clear about that last \$9,000 estimate. There was a sum of \$5,000 added. Mr. Bennett said it was a “clean up.”
15. Chairman : All that they were possibly entitled to?
A.—More than they were entitled to at that time by \$5,000.
16. Q.—I suppose that was done simply to help the men out of what you considered were financial straits?
A.—Certainly ; he added this because nothing less than a measurement of \$10,000 could be paid.
17. Mr. Helmcken : Do you recollect why, after the granting of these certificates, such a time elapsed before the payment of the money?
A.—I recollect a delay, and I think it was a great injustice to these men. After the first certificate was granted a long time elapsed before the money was paid. The certificates were payable by the Dominion Government. Sir Hector Langevin was then Minister of Public Works, and I had to write, or promised

to write, to him once or twice about delaying the payment to these men, as it was an injury to them. I think they were kept either 30, 40, or 60 days out of their moneys, and, of course, the workmen went unpaid. At first Mr. Ward was not inclined to discount the certificates, so that they were immediately pinched; but I explained to him afterwards that the certificates were all right, but that I couldn't hurry the Dominion Government, who were the paymasters. I believe that delay occurred on three different occasions. It was certainly a gross injustice to them, because they had to pay interest here and a heavy discount. The Bank of Montreal had no agents here at that time, and the certificates had to be sent over there, and the men had to wait for the money. I had nothing to do with the banking business, nor am I speaking in justification of any of these things. All I can say is that the men were very badly treated, in the first place, by the Dominion Government.

18. Chairman (to Mr. McNamee): Have you any of the correspondence in your possession, now, between yourself and Mr. Walkem in reference to this contract?

A.—He has reminded me of a pencil letter that was sent to me at Ottawa. I don't remember whether there was a signature to it or not. It was a sort of a threat for me not to take the contract, and I handed it to Mr. Walkem, thinking it was perfectly right for me to do so, for I didn't know the man who sent it. What was in it now I disremember, but it was a sort of threat to frighten me from taking the contract.

Mr. Walkem: Mr. McNamee, after receiving this pencil memorandum, at once, honestly, brought it to me, and asked me: "Do you know who this man is?" It was Johnstone Robertson's signature. It contained something to this effect: "Better have nothing to do with the contract for the dock here; your figures are" so-and-so, mentioning them exactly—of course, he had got some inner information—"and mine are" so-and-so. I think his were \$476,500 and something. "You will throw up yours and they will have to take ours" (Robertson not knowing that there were intervening tenders). McNamee at once stated: "I will have nothing to do with this." I said: "No; I don't know how this man has got at these figures."

19. Q.—Chairman (to Mr. McNamee): Having heard what Mr. Walkem states, do you still adhere to your statements about the local partners?

A.—Positively: I am prepared to reiterate every word I stated. I have done it before on oath, and I am willing to do it now. Is it reasonable to say that I would throw up a contract that Mr. Walkem himself admits that he figured up was worth \$150,000 to me—is it reasonable that I would have left my securities here to men of straw, if I was not coerced into it? Is it reasonable? I had my foreman carpenter here, I had sent my foreman mason on to Montreal to ship out the stuff. I had made all arrangements with merchants, that Mr. Walkem took me round and introduced me to; I went up to the present Provincial Governor's mills and closed with him for sawn lumber, and came back here, and then it was, after I had done all things, that I was coerced into taking these people in. What reason would I, a *bona fide* contractor, have for giving up a contract on which I fully expected to clear \$150,000, a cash deposit of \$10,000, and the bonds of two substantial men in Montreal for \$25,000, to men of straw? Why would I do all this? I am an ordinary business man, and have carried out sufficient public work in the Dominion to give this Committee confidence that the dock could have been built without the slightest trouble. That dock should have been built in 18 months. I could have built the dock cheaper then, with labour, than I could to-day. Mr. Beaven had some doubt about it, and Mr. Beaven, Mr. Walkem, and myself sat down, and I figured it out and showed them that I could board men here cheaper, by a long way, than I could in Canada, and that I could get labour just as cheap here, notwithstanding that labour was supposed to be scarce. Now, with all these things staring me in the face would I, as he says I was, be fool enough to walk out and leave my \$10,000 here if I was not coerced into it? Mr. Walkem positively stated to me that, if I wouldn't take in those three British Columbians, his Government couldn't last three

months, and that, if his Government was out of power, British Columbia would go out of the Union. That is as positive as there is a God above, and I state it now—I state it now. I have risked my life to come out here to settle up this matter and get it settled in a business way, and I never want to return to Canada alive if every statement I have made here is not positively correct and positively true. Would I be such a dolt that I would walk out of British Columbia leaving a good contract, \$10,000 in cash, and \$25,000 in responsible security, if I wasn't coerced into it. I can show it to you here in my diary where Mr. Walkem was so anxious to get me to do it that he tried to beat me down to 7½ per cent., when I showed him that I was losing over \$100,000 by his forcing me to give up this contract to British Columbians. I was handling large contracts at that time, and contractors who handle large contracts don't trouble about small amounts—we play for large stakes, and we either win or lose large amounts on these contracts. Since Mr. Walkem forced me to hand it over, I have paid out over \$40,000 in cash for that contract, besides some bills that are due yet. Why would I abandon it if I wasn't coerced into it? Mr. Walkem, himself, told me that John Nicholson had between \$22,000 and \$23,000 in cash in the Savings Bank, that I would never have the slightest trouble, never—that the men were practical men. I never heard anything against the reputations of any of the men, only that they hadn't made as much money as they should in contracting, but that John Nicholson was one of the best contractors they had in British Columbia, and that he had this cash in the bank. Was it at all likely that I was going to give over this contract without having the Premier's word for something? When I came to follow up about Nicholson's cash it amounted to a mere nothing—hardly enough to start a colonization road.

Mr. Walkem:—My explanation of that is: What he states is quite reasonable. He didn't give up the contract, and I didn't force him to give it up. It was too good to give up. I kept him to it. As I said before, the pressure was for the commencement of the work. That and nothing else led to the introduction of the new element into the partnership. There was pressure then, and great pressure. I threatened to forfeit his contract if he didn't go on. He came out in consequence of notice having been given to commence the work and complaint made that it was not commenced.

20. Chairman (to Mr. Walkem): Do you know where this correspondence is?

A.—It must be in the Lands and Works Department.

21. Q.—Letters to Mr. McNamee?

A.—Notice under the specifications to commence work within a certain time. Then followed the necessary remonstrance, when the work was not commenced, against their course of conduct. I am not sure but it must be published.

Mr. McNamee:—There never was a word said to myself except when those men were delaying it—before that, never a word.

Mr. Walkem:—I think you will find he came out here in consequence of some notification. The correspondence will show it either in telegrams or letters. Great pressure was brought to bear, as he says, to compel him to go on, and in consequence of that pressure all that I have stated with regard to the local partners occurred.

22. Chairman (to Mr. McNamee): You say that before the local partners were taken in you received no notification—you received no protest until after the local partners were taken in?

A.—No, only the required notice to begin work as the contract demanded.

23. Chairman (to Mr. McNamee):—And you came out immediately you got this notice?

A.—Certainly.

24. Q.—Brought your foreman with you and prepared to commence the work?

A.—Yes, and had a whole lot of sub-contracts given out when I was coerced into this.

(Committee adjourned to call of Chair.)

Since the above statement was made, I have examined the records in the Land Office, the Dock Specifications, and the Legislative Journals and Sessional Papers for the years 1880, '81, '82, '83, with a view of completing, as far as possible, the information expected from me by the Committee.

I find that although the oral evidence given before the Committee in March, 1882, was printed, the documentary evidence, consisting of letters and telegrams, was not,—owing, probably, to its being very voluminous, as will be seen by referring to it at the Land Office.

By section 21 of the specifications (*see* “Sureties”), it is provided that the contractor, with two sureties, shall give \$25,000 security, by bond, to ensure completion of the work, and make a deposit, as further security, of \$10,000; “which sum” (quoting the words) “shall bear interest at the rate of five per cent. per annum while retained on deposit.”

By paragraph 3 of the dock contract, dated October 4th, 1880, and which is to be found on page 435 of the Sessional Papers of 1882, it is recited that the deposit of \$10,000 had been paid, “which sum” (quoting again) “is to be repaid to them, with interest, as provided in the specifications, upon the due performance of their contract.”

As will be seen by the contract, the specifications are incorporated in it.

Apart from any allegation that I consented to allow six per cent. on the deposit, it will be evident to the Committee that I had no power whatever to alter the contract or specifications in this or any other respect (change of material excepted). Besides, Mr. McNamee in his evidence (*see* questions 10, 11, 12) has stated that the agreement to allow him six per cent. was made with me in Montreal when the \$10,000 draft was handed to me. This is important, for immediately before handing me the draft he and his firm had executed a provisional contract for the construction of the dock, dated the 24th February, 1880, wherein five per cent. only was provided for. This contract is on file in the Land Office. He spoke to me near the Bank of Montreal about the rate of interest in British Columbia. I told him what it was, but no change of the contract rate was, as I recollect, asked for. I am very certain that none was agreed to, for I had no authority to agree to it. Eight months after Mr. McNamee and his partners had executed this provisional contract, they executed the second and final contract of the 4th October, 1880. This latter document was sent by letter from the Land Office to Montreal, as Mr. McNamee had, after his visit, returned to Montreal. It was executed and returned to the Land Office without delay. It provides, as I have shown by the above extract from it, for five per cent. on the deposit. No objection was made to this. The letter of the firm enclosing this contract is in the Land Office, and is silent as to the alleged change by me from five per cent. to six per cent. It is most unlikely that the contractors would have executed this latter contract, as they did, if I had ever agreed to allow six per cent., instead of five per cent. as contracted for. Both contracts corroborate my statement that six instead of five per cent. was never agreed to. The second contract, the firm's letter returning it to the Land Office after execution, and the fact that the claim for extra interest is made after ten years' silence as to the alleged change, are matters of evidence and circumstances which tend to disprove Mr. McNamee's assertion. No mention is made of such a change in the petition prepared by McNamee & Co. to the House in May, 1883, or in any other claims made by them for redress and damages.

By section 25 of the Specifications (which I quote), “The contractor is to hold himself in readiness, after the acceptance of his offer, to commence the works *immediately* upon receipt of a written order to that effect from the Chief Commissioner, and he is to complete the works within twenty-eight months from the date of such order to commence.”

GEO. A. WALKEM.

SATURDAY, 14th March, 1891.

F. B. MCNAMEE:—Mr. Walkem sent me a telegraphic dispatch saying he had mailed me a letter to Montreal to begin the Graving Dock. On the receipt of the letter, which was sent to me by mail (in those days it took about 16 days to get to Montreal—I got the telegram 12th June, or next day), I started from Montreal on receipt of the letter and got here on 24th July, 1880. The telegram and letter referred to were the first official notification I got to commence work. I may have got, and think I did get, other telegrams afterwards, but not complaining until 13th September, 1881, when I got telegram:—

“Progress on dock very unsatisfactory and frequently complained of, but complaints have been disregarded here. Please attend to this, as a continuation of present delays cannot be longer permitted.

“GEO. A. WALKEM.”

Upon receipt of this telegram I sent out Mr. Nish and the foreman mason. When I came out it was by San Francisco. I left Montreal about 1st July and got here about 24th July. Best way to come in those days was *via* Chicago and San Francisco. The memorandum marked "Q" are extracts from my diary, which I kept at the time, and shew the particulars of my transactions from the time of my leaving Montreal to commence work and leaving here again. The final agreement between the local contractors and myself was that I was to have ten per cent. of the contract for stepping out. Mr. Walkem wanted me to consent to seven and one-half per cent. but I refused, and it was subsequently arranged at ten, all in the same office where Mr. Walkem was, and which I call the Executive building. It was one of these rooms round here. (Produced copy of agreement with Nicholson and others marked "R.") I produce the original also. When I came out here I was perfectly ready to go to work and fulfil contract to the letter. I brought my foreman mason, Mr. Stewart, with me. He had been in my employ for years. It was after I had been here some time that the local partnership was proposed to me. My diary shews the steps I took towards getting ready for work. I sent Stewart back to Montreal 2nd August to send out plant and men. In San Francisco, when I was coming up, I met Jno. Clements, whom I had already known as being a first-class timber man, and Mr. Stewart, on his way back to Montreal, again met Clements in San Francisco, and advised me by telegram to get him up as foreman in the wood-work department, and I consequently wired to Clements to come up for that purpose, and he did so. After the transfer of the contract Clements re-engaged with the local contractors. Before turning over the contract, had made contract with Sayward for timber, also iron work with Wilson, at foundry. When I came out here I advertised for tenders for lumber and iron, beef and material, and Sayward and Wilson were the lowest tenderers for lumber and iron, and I gave the contracts. Regarding the brick-work, I was negotiating with, I think, Mason for the supply of bricks when the contract was given over. Several other tenders were in and I turned them all over to the new contractors. Had made a contract with Van Volkenburgh, but that was only verbal and not completed. Sayward and iron-work were written tenders, and, I think, acceptance in writing. Also I made written contract for powder with California Powder Co. This I also turned over.

F. B. McNAMEE.

JOHN NICHOLSON:—I have heard McNamee's evidence concerning the advertising for tenders by him and taking over the Sayward, Wilson and other contracts. I confirm what he says, except the powder contract, which I don't recollect. I don't recollect any writings about that. I know that they (California Powder Co.) sued me in the Courts, and sent powder up here, which I refused to accept. I had been for seven years before the date of the dock transaction Road Superintendent for the Governments of which either Mr. Walkem or Mr. Beaven were the members. As a term of our agreement with McNamee we agreed to carry out all his contracts.

JOHN NICHOLSON.

F. B. McNAMEE, recalled:—When I sent the mason foreman, Stewart, back to Montreal for plant and men I gave directions to return with them soon as possible. Immediately on the turning over to Huntington & Co. I telegraphed to my firm there to stop all further preparation. After I had returned to Montreal from Victoria I received from the Chief Commissioner at Victoria an agreement for me to sign, and copy of which I now produce. It is dated 4th October, 1880. I signed it and sent it back. It was signed also by my partners. (Marked "S.")

F. B. McNAMEE.

(Produces copies of telegrams dated 16th April and 12th June.)

1st April, 1891.

WM. S. GORE, Surveyor-General:—I was Surveyor-General in the year 1880. I produce copies of a letter and telegram sent by the Chief Commissioner to Messrs. McNamee & Co., both dated June, 1880, the letter directing McNamee & Co. to commence work, according to section 25 of the specifications, and the telegram notifying of the sending of the directions to commence work. Both were sent the same day. I believe this to have been the first notification sent to McNamee & Co. to commence work; the books of the office shew none anterior to that date. On the 30th October, 1880, a letter (copy produced) was sent by the Chief Commissioner of Lands and Works, acknowledging receipt of the dock contract, and giving

date of execution, by McNamee, of 4th October, and by the Chief Commissioner, 26th October. On 10th June, 1881, a letter was sent to McNamee & Co.,—I cannot say whether sent to the local contractors or to Montreal,—complaining of delay in construction of foundation of dock, and absence of necessary material, as reported by the Resident Engineer. On 27th August, 1881, a letter sent, suggesting greater expedition be observed with dock works, and requesting that sandstone be procured, and bricks be produced in larger quantities before bad weather commenced. The latter letter was sent to the local contractors. On 13th August, another letter to local contractors, calling attention to delay and want of expedition, and containing full particulars of ground of complaint. 22nd August, a somewhat similar letter, followed up by several other letters.

The work was finally taken out of their hands, and carried on by the Government on account of F. B. McNamee & Co. The accounts of the work so carried on were kept at the Treasury, and full particulars can be obtained from the Auditor.

W. S. GORE.

VICTORIA, June 10th, 1880.

Gentlemen,—Your tender having been accepted, and a contract entered into by you with the Government of this Province for the construction of the graving dock at Esquimalt, I have to direct you, in accordance with section 25 of the specifications, to commence the work as agreed upon. I have been informed, by telegram from Sir John A. Macdonald, that the agreement made between the Dominion and Provincial Governments in February last, and which I showed you, has been approved of by the Imperial Government. I have telegraphed you to-day.

I have, &c.,

(Signed) GEO. A. WALKEM,
Chief Commissioner of Lands and Works.

Messrs. F. B. McNamee & Co.,
Montreal.

[HALF RATE MESSAGE.]

VICTORIA, June 11th, 1880.

Messrs. McNamee & Co., Montreal.

Have written to-day, directing commencement construction Esquimalt Dock, according to section twenty-five, specifications. Received telegram from Sir John Macdonald that Imperial Government approves agreement which I showed you in Ottawa and Montreal.

(Signed) GEO. A. WALKEM,
Chief Commissioner of Lands and Works.

October 30th, 1880.

Gentlemen,—I have the honour to acknowledge the receipt of the dock contract and other papers, duly executed. As requested in your letter, I filled in the date by adopting your own, viz.: the 4th of October, which appeared in pencil at the head of the instrument, and which I transcribed in ink. The date of the execution of the document by myself is the 26th of October inst.

I have, &c.,

(Signed) GEO. A. WALKEM,
Chief Commissioner of Lands and Works.

Messrs. F. B. McNamee & Co.,
Montreal, Canada.

ESQUIMALT GRAVING DOCK, CONTRACT No. 3.

Copy of Clause 25.

Commencement of Works.—The Contractor is to hold himself in readiness, after the acceptance of his offer, to commence the works immediately upon receipt of a written order to that effect from the Chief Commissioner, and he is to complete the works within twenty-eight months from the date of such order to commence.

JAS. MCB. SMITH :—Am Provincial Auditor. The cost to the Province of the dock is to be found in the Comparative Statement of Receipts and Expenditure in any of the annual Public Accounts. Including preliminary expense (1872 and 1873), cost of advertising, &c., amounting to \$6,467.54, purchase of dock site, cost of cofferdam, and all moneys expended by the Government, both in payments to the contractors and on their account, the amount of actual cost to the Government of British Columbia at the time the dock was taken over by the Dominion Government, but not taking interest into account, was \$402,085.14. This amount also includes \$5,797.49, amount paid in 1886 by the Government in liquidation for claims for wages due to the employés of F. B. McNamee & Co. on the graving dock (for particulars of which, including \$200 to the Commissioner, *see* page 117, Public Accounts, 1886).

The total amount received by the Province from the Dominion for this work was \$432,172.88, particulars of which are also given in the said Comparative Statement.

J. MCB. SMITH.

THIS AGREEMENT made this twenty-eighth day of August, A.D. 1880, between F. B. McNamee, A. G. Nish, and James Wright, all of the City of Montreal, in the Province of Quebec, Contractors, doing business under the name of F. B. McNamee & Co., of the first part, and John Johnstone Robertson, John Huntington, and John Nicholson, of the City of Victoria, in the Province of British Columbia, of the second part;

Whereas the said parties of the first part on the 24th day of February, 1880, entered into a contract with the Hon. the Chief Commissioner of Lands and Works of the Province of British Columbia for the construction of a Graving Dock at Esquimalt, in the Province of British Columbia, upon certain terms and conditions, and in accordance with certain plans and specifications, as by reference to the said contract will more fully appear;

And whereas the said parties of the first part, in conformity with the terms of the said contract, deposited the sum of \$10,000 in the Bank of British Columbia, at Victoria, as a security for the due performance of the said contract;

And whereas the said parties of the first part have agreed with the said parties of the second part to form a special partnership with them for the purpose of prosecuting the said work to completion;

Now this agreement witnesseth that the said parties of the first and second parts will become and remain partners in the business of constructing the Esquimalt Graving Dock until the said work shall be completed, or the contract therefor shall be otherwise determined;

The firm of the said business shall be F. B. McNamee & Co.

The parties hereto of the first part shall not, nor shall any or either of them, be required at any time to bestow any labour upon or give any personal attention to the said work, but the parties hereto of the second part shall and will at all times diligently employ themselves in the business of the said partnership, and carry on the same for the greatest advantage.

The said parties of the first and second parts shall respectively contribute towards the capital of the said partnership in the following manner, that is to say: The said parties of the first part shall bring into the said business the hereinbefore in part recited agreement for the construction of the said Esquimalt Graving Dock, and the said parties of the second part shall from time to time furnish all the labour, plant, and material necessary for the proper carrying out and completion of the said contract;

All wages and remuneration of all persons employed in or upon or about the said work of constructing the Esquimalt Graving Dock, or otherwise in relation thereto, and all moneys to become payable upon account of the said business, and all losses which shall happen in the same, shall be paid by the said parties of the second part, and the profits arising therefrom, subject to the payment of the sum hereinafter mentioned to the said parties of the first part, shall belong to the said parties of the second part.

The said parties of the second part shall immediately after the execution of these presents pay to the said parties of the first part the sum of \$1,000, and at the expiration of twelve months from the date hereof pay the further sum of \$15,000 to the said parties of the first part.

The said parties of the first part shall concurrently with the execution of this agreement sign, seal, and deliver to John Johnstone Nicholson, one of the parties hereto of the second part, a proper and lawful power of attorney, authorizing and entitling the said J. N. to receive from

the C. C. L. & W. for B. C. all moneys that may from time to time become payable under or in respect of the hereinbefore in part recited agreement for the construction of the Graving dock at Esquimalt aforesaid, save and except ten per cent. thereof which, by the terms of the said contract, is to be retained by the said C. C. L. & W. until the final completion and assumption of the said contract.

And it is hereby agreed by and between the said parties hereto that, provided the said parties of the second part shall well and truly pay, or cause to be paid, to the said parties of first part the said sum of \$15,000 on or before the expiration of twelve months from the date of these presents, then and in such case the deposit of \$10,000 in the Bank of B.C. at Victoria, made as hereinbefore recited by the said parties of the first part as a security for the due performance of the said contract, shall become the absolute property of the said parties of the second part, and the said parties of the first part shall execute all such papers and authorities as shall be necessary to enable the said parties of the second part to recover and collect the said money: Provided, always, that all interest that may accrue due on the said sum of \$10,000 whilst the same shall remain on deposit as aforesaid shall belong absolutely to the said parties of the first part.

And the said parties of the second part hereby contract with the said parties of the first part that the said parties of the first part shall receive as their proportion of the profits arising from the said work a sum equal to ten per cent. on \$351,000, and that in case on the completion of the said work the percentage on the value of the work done remaining in the hands of the C. C. L. & W. shall not be equivalent to ten per cent. on the said sum of \$351,000 they shall and will pay on demand to the said parties of the first part such a sum of money as shall, when taken with the amount so retained by the C. C. L. & W., make up the sum of ten per cent. on \$351,000.

And the said parties of the second part further covenant with the said parties of the first part that they shall and will recognize, assume, and carry out all contracts entered into by the said parties of the first part for the supply of iron, fire-bricks, and lumber in connection with the said Esquimalt Graving Dock work, and at all times indemnify and save harmless the said parties of the first part of and from all and every breach of the same, or any of them. And the said parties of the second part covenant with the said parties of the first part that they will not use the partnership name in any transaction, save and except in connection with the said Esquimalt Graving Dock work.

And the said parties of the second part further covenant with the said parties of the first part that they will well and faithfully execute and perform the work of constructing the said Esquimalt Graving Dock in conformity with the hereinbefore in part recited contract, and the plans and specifications thereto attached, or therein referred to, and to the complete satisfaction of the C. C. L. & W.

And it is hereby agreed by and between the said parties hereto that in case the C. C. L. & W. shall at any time notify the said parties of the first part that the said work is not being prosecuted in conformity with the terms and conditions of the said contract for the said work, and to the satisfaction of the said C. C. L. & W., it shall and may be lawful for the said parties of the first part, on giving twenty-four hours' notice of their intention so to do, to resume possession of the said work, and of all plant and material used in connection with the said work.

In witness whereof the said parties have hereto set their hands and seals the day and year first hereinbefore written.

Signed, sealed, and delivered in the presence of A. ROCKE ROBERTSON.

F. B. McNAMEE,	[L.S.]
A. G. NISH,	[L.S.]
By his attorney, F. B. McNamee,	
JAMES WRIGHT,	[L.S.]
By his attorney, F. B. McNamee,	
JOHN JOHNSTONE ROBERTSON,	[L.S.]
J. HUNTINGTON,	[L.S.]
JOHN NICHOLSON.	[L.S.]

[TELEGRAMS.]

(By telegraph from Montreal to F. B. McNamee & Co., Humberstone.)

From Victoria, B.C.

April 16th, 1880.

Dock agreement with Canada is sanctioned by Legislature. See Sir John to obtain Imperial sanction by cablegram. Have telegraphed him.

(Signed) GEO. A. WALKER.

MONTREAL, 12th June, 1880.

By telegram from Victoria, B.C., to McNamee & Co.:

Have written to-day directing commencement construction Esquimalt dock according to section twenty-five specifications. Received telegram from Sir John Macdonald that Imperial Government approves agreement which I shewed you in Ottawa and Montreal.

(Signed) GEO. A. WALKER,
Chief Commissioner.

“A.”

Amounts paid by F. B. McNamee in connection with contract for the construction of Graving Dock at Esquimalt, B.C.

1880.

February 24th—	To cash deposited as security with the B.C. Government.....	\$10,000 00
”	” paid Warteles, making out contract.....	100 00
”	” travelling expenses with G. A. W. and hotel bills.....	337 15
July to October	” travelling expenses of Mr. McNamee and foreman to, from and in B.C.....	1,609 00

1882.

January to April—	To cash, travelling expenses of A. S. Nish and foreman to, from and in B.C. trying to get possession of contract..	1,219 02
”	To cash, legal expenses to Hon. O'Donohoe.....	97 50
”	” D. W. Higgins, proprietor paper.....	168 50
”	” J. P. Walls, legal expenses.....	241 70
”	” C. Booth, wages at dock.....	193 25
”	” repairing scows at dock.....	73 00
”	” Theo. Davie.....	500 00
”	” Dr. for Nicholson.....	\$1,000 00
”	” ” Farwell.....	500 00
		1,500 00
”	” R. P. Mitchell for.....	300 00
”	” Fellows & Prior.....	1,449 15
”	” L. N. Benjamin, for account of— Vancouver Coal Company.....	\$1,752 95
	John Parker.....	2,864 34
	W. P. Sayward.....	3,992 41
	Robt. Ward.....	101 00
	J. Robertson.....	289 63
	Geo. Nicholson.....	657 72
		9,658 05
To cash paid	P. McQuade & Son.....	353 00
	Incidentals.....	100 00
”	” Abbott, Tait & Co. for Thos. Nicholson.....	7,898 00
”	” Dunlop & Lyman for E. B. Marvin.....	1,880 00
”	” Hutchins' account, Waitt & Co.....	50 85
”	” Telegraph accounts.....	231 73
”	” Travelling expenses, 5 years.....	1,034 68
”	” McMaster & Co., law costs.....	590 00
”	” Mitchell, law costs.....	853 85
”	” Bethune & Bethune.....	224 70

\$40,663 13

VICTORIA, B. C., February 27th, 1891

Re F. B. McNamee & Co.

SIR,—We have the honour to enclose herewith vouchers for the following payments:—

L. N. Benjamin	\$9,658 05
P. McQuade & Son	353 00
Abbott, Tait & Co	7,898 00
Dunlop & Lyman	1,880 00
Hutchin's Account (Waitt & Co.)	50 85
T. Davie	500 00

A number of items, viz., "travelling expenses," we, of course, can have no voucher for. We have not with us the vouchers for payment of certain bills of costs of some Montreal firms, which have been accidentally left at Messrs. McNamee & Co.'s office in Montreal. If necessary we can telegraph for these.

We have, &c.,

DRAKE, JACKSON & HELMCKEN.

The Honourable the Attorney-General.

VICTORIA, B. C., April 3rd, 1891.

Re F. B. McNamee & Co.

SIR,—We find that in addition to the amount sworn to, viz., \$40,663.13, Messrs. McNamee & Co. have paid the further sums of—

R. Ward & Co. v. McNamee	\$ 100 00
H. B. Co. v. McNamee	2,131 60
Robertson v. McNamee	400 00
Messrs. McIntyre & Co, Wm. Pollard, per Wortherspoon & Co	1,024 74
A. Ferguson	500 00

\$4,406 34

We know it is too late to insert this in the report, but we think it fair to Messrs. McNamee & Co. to state this fact.

We have, &c.,

DRAKE, JACKSON & HELMCKEN.

The Honourable the Attorney-General.

"B."

Memo. showing the losses sustained by the undersigned in connection with the Graving Dock construction at Esquimalt, under McNamee & Co.'s contract with Government of British Columbia.

Jan. 21st, 1882—Cost advanced for labour and material	\$7,100 00
Twenty-two months' superintendence of work @ \$150 per month	3,300 00
	————— \$10,400 00
Interest on above from 28th June, 1882, to 1st March, 1891, @ 5 per cent	4,500 00
	————— \$14,900 00

The amount claimed to have been advanced can be easily proved by book accounts and balance sheets, and the dates cannot be changed.

February 24th, 1891.

JOHN NICHOLSON.

"C."

KNOW ALL MEN by these presents that we, F. B. McNamee, A. G. Nish, and James Wright, all of the City of Montreal, in the Province of Quebec, have made, ordained, constituted, and appointed, and by these presents do make, ordain, constitute, and appoint John Nicholson, of the District of Victoria, Vancouver Island, our true and lawful attorney, for us and in our names to ask, demand, sue for, recover, and receive from the Hon. the Chief Commissioner of Lands and Works, of the Province of British Columbia, all moneys which may at any time hereafter become due and payable to us under or in respect of a certain

contract, entered into by us with the said Commissioner on the twenty-fourth day of August, A. D. 1880, for the construction of a graving dock at Esquimalt, save and except thereout ten per cent. of the said moneys, which, by the terms of the said contract, are to be retained by the said Commissioner until the completion and acceptance of the said work, and to sign, seal, and deliver all necessary and proper receipes, acquittances, and discharges therefor, we hereby ratifying and confirming, and agreeing to ratify and confirm all and whatsoever our said attorney shall lawfully do or cause to be done in the premises.

As witness our hands and seals, at Victoria, B.C., this twenty-eighth day of August, A.D. 1880.

Signed, sealed, and delivered in the presence of A. ROCKE ROBERTSON.	}	F. B. McNAMEE,	[L.S.]
		A. G. NISH,	
		by his attorney, F. B. McNamee.	[L.S.]
		JAMES WRIGHT,	
		by his attorney, F. B. McNamee.	[L.S.]

VICTORIA, B. C., March 17th, 1891.

The Honourable the Attorney-General.

SIR,—*Re* F. B. McNamee & Co., we have the honour herewith to enclose a statement of the outstanding liabilities.

We have, &c.,

DrAKE, JACKSON & HELMCKEN.

List of Outstanding Liabilities of F. B. McNamee & Co. in connection with Graving Dock.

P. McQuade & Sons.....	\$ 299 49
Geo. Stelly	144 25
W. A. Selleck.....	200 00
Jos. Spratt	44 83
A. & W. Wilson.....	164 89
Borde & Morley	30 50
Shaw & Kuna	38 85
California Powder Co	3,723 50
J. & F. Wilson	121 58
J. W. Foster (Bank of B. N. A.).....	1,000 00
Stewart & Braden.....	34 00
Burns & Co	191 00
W. C. Bryant	3 81
DeWeiderholdt & Co. (coal)	96 00
Walker, Robertson & Co.....	22 00
W. R. Clarke	30 00
Robert Foster.....	15 00
Schooner "Discovery"	22 00
Fred. Norris (saddlery)	15 75
H. C. Wilson (tinware)	81 37
Findlay, Durham & Brodie.....	15 00
Davie & Pooley.....	14 00
A. C. VanAllman	23 18
Chas. Hayward (saw-mill).....	44 68
Robert Porter.....	72 43
"Standard" Office	45 41
Joseph Nicholson (cash)	519 25
Oppenheimer Bros	240 65
Joe Dwyer	391 60
Turner, Beeton & Co	87 50
D. M. Eberts	17 50
P. Steele	57 00
Kinsman & Styles	168 20
Jas. Harvey	7 62
H. Price	203 50
S. Jones	300 00

Hudson's Bay Co.	170 50
Mrs. Booth	97 00
Jas. Stewart	35 08
W. Walker	22 00
J. P. Booth (Salt Spring Island)	81 12
M. Rowland	25 62
McIntyre & Lewis (Ottawa)	250 00
Waitt & Co.	71 39
Law Costs.....	500 00

March 17th, 1891.

\$9,739 05

DRAKE, JACKSON & HELMCKEN.

"Q."

MEMORANDUM FOR COMMITTEE.

- July 1st, 1880—I and foreman mason start for Victoria.
- " 24th, " —Arrived. Meet Mr. Walkem and go to dock.
- " 26th, " —At dock. Visit brick-yard, stone quarry.
- " 27th, " —Nanaimo, at quarries.
- " 28th, " —Maple Bay and Saanich after granite.
- " 29th, " —Saanich. Lots of granite. Drive to Victoria.
- " 30th, " —After Mr. Walkem. Mr. Beaven gives me copy of specifications.
- Aug. 2nd, " —Send Stewart, foreman mason, to Montreal. I see Mr. Walkem, who wants a show made. I agree to ask tenders for material.
- Aug. 3rd-12th, 1880 —After lumber at Burrard Inlet, Yale, and New Westminster.
- " 13th, 1880—Report full particulars of trip to Mr. Walkem about lumber and granite.
- " 14th, " —Foreman carpenter arrives. We go to Esquimalt.
- " 16th, " —Government House with Clements. Introduce him to Mr. Walkem.
- " 17th, " —Visit all foundries, &c., &c., with Clements, my foreman carpenter, who I had brought from Frisco. Arrange with cashier of bank.
- " 18th, " —At Mr. Walkem's house. Receive letter from bank cashier.
- " 19th, " —Four a. m. go to Port Townsend after Sandstone.
- " 20th, " —With Mr. Walkem arranging to get steamer Douglas to visit quarries.
- " 21st, " —Four a. m. start for quarries at Salt Spring Island.
- " 23rd, " —Seven a. m. Esquimalt with Clements. Examine the cement.
- " 24th, " —Nine a. m. over the Government Buildings to read Bennett's report. I send material to Esquimalt.
- " 25th, " —After brick contractor. See Mr. Walkem about it, and give timber contract to Sayward; iron to Wilson. Esquimalt with Clements.
- " 26th, " —Drive to see the butcher's cattle. Specimen of stone from Port Townsend.
- " 27th, " —Over the bay. Mr. Walkem wants me to take seven and one-half per cent. I refuse and close for ten.
- " 28th, " —Sign papers giving up contract to Robinson, Huntington, and Nicholson.

"S."

THIS INDENTURE, made the 4th day of October, A. D. 1880, between Francis Bernard McNamee, Anthony Gilbert Nish, and James Wright, constituting the firm of F. B. McNamee & Co. of Montreal, hereinafter called the contractors, of the first part, and George Anthony Walkem as Chief Commissioner of Lands and Works of British Columbia, acting on behalf of Her Majesty, hereinafter called the Chief Commissioner, of the second part.

Whereas the contract has been awarded to and accepted by the above contractors to construct and maintain a Graving Dock, to maintain and remove the Cofferdam connected therewith, and to execute other works connected therewith on the land and foreshore of Thetis Cove, Esquimalt Harbour, British Columbia, according to drawings and specifications prepared by Messrs. Kinipple & Morris, Engineers, and by the said Commissioner, and according to the terms, and for the considerations, and at the rates, and within the time mentioned in a copy of the said specifications, and in form of tender thereto annexed, deposited by the said contractors and filed on record in the Lands and Works Department, Victoria, on the 24th day of December, 1879.

And whereas the said contractors have, as agreed upon, deposited with the Chief Commissioner, as said officer, a sum of Ten thousand dollars as part security for the fulfilment of their contract, which sum is to be repaid to them with interest, as provided in the specifications, upon the due performance of their contract, subject, however, to the loss (if any) of the said money or interest by reason of the failure or insolvency of any bank holding the same, being borne by the contractors.

And whereas the Dominion Government agreed, by Order in Council of the 12th day of February, 1880, to contribute \$250,000 towards the construction of the said Dock, provided the terms of the said Order should be accepted by the Legislature of British Columbia and sanctioned by the Imperial Government.

And whereas the said terms have been so accepted by the Legislature of British Columbia and ratified by the Parliament of Canada.

And whereas it is therefore desirable that these presents should be executed in lieu of an indenture of similar import herewith, made between the present contracting parties respectively, and bearing date the 24th day of February, 1880, and for and in respect of the said Dock and works connected therewith and mentioned herein, which indenture is now on record in the Lands and Works Department.

And whereas directions in writing, dated the 10th day of June, 1880, were given by the said Chief Commissioner to the said contractors, under the provisions of section 25 of the specifications, to commence the works as agreed upon. Now this Indenture witnesseth that in consideration of the premises and of the sum of \$350,997.20, or of the sums certified to be due to the contractors under the specifications referred to, they, the contractors, hereby covenant and agree with the Chief Commissioner, acting as aforesaid, that they will faithfully observe and perform all the conditions and agreements contained herein, and in the specifications and tender herein mentioned, and in accordance with the drawings or amended drawings (if any) therein referred to, and that they will finish the whole of the works contracted for within 28 months from the above-mentioned date—namely, the 10th day of June, 1880, or within any extended time that may be given under the specifications.

And the Chief Commissioner, acting as aforesaid, in consideration of the premises, covenants with the contractors that they will be paid for the work contracted for according to the prices and sums mentioned in the specifications. All covenants by or in favour of the Chief Commissioner shall be binding upon or enure to Her Majesty and Her successors, and all covenants herein by or in favour of the contractors shall be binding upon or enure to them and each of them, and their and each of their executors and administrators.

And it is further expressly understood that these presents shall be void if the terms of the Order of the Privy Council of Canada of the 12th of February, 1880, which are embodied in the annexed Act of the British Columbia Legislature, being chap. 8 of the Acts of 1880, be not sanctioned by the Imperial Government within twelve months from the date of these presents, or within such further time as may be reasonable and be expressed in a Minute of Council of the Government of British Columbia to that effect.

It is also hereby understood and agreed that section 17, and so much of any other section of the specifications as declare that the contract for or management of the works herein mentioned is or shall be subject to the "Public Works Act, 1872," or Acts amending the same, shall be and be considered as cancelled after the execution of these presents, as the contract has been awarded and these presents agreed upon under the provisions of the several Statutes and Agreements passed and made with special reference to the construction of the said Graving Dock.

In witness whereof, the respective parties have hereto set their hands and seals, and the Chief Commissioner hath affixed his signature and seal of office.

Signed and sealed in presence of
W. G. TURNER.
JAMES MORRISSEY.

(Signed) F. B. McNAMEE. [L.S.]
" A. G. NISH. [L.S.]
" JAMES WRIGHT. [L.S.]

Victoria, 26th October, 1880.

Witness to signature and seal of
Chief Commissioner,
(Signature) W. S. GORE,
Surveyor-General.

(Signed) GEO. A. WALKEM, [L.S.]
*as Chief Commissioner
of Lands and Works.*

SECOND REPORT OF SELECT COMMITTEE.

GRAVING DOCK CONTRACT.

MR. SPEAKER:

Your Committee upon the circumstances under which local partners were admitted by F. B. McNamee & Co. in the contract for the construction of the Graving Dock, having had their previous report referred back to them by the House, with instructions to reconstruct section six so as to show when, and by, or to what member of the Government the profit of \$150,000 was demonstrated, beg to report that they have reconsidered clause No. 6 of their former report, and submit their report as before and as hereto annexed, with the exception of clause 6, and with the following in lieu of clause 6:—

“6. After Mr. McNamee's arrival in the Province to go on with the work, he stated to Mr. Walkem that he might make a profit of \$125,000 or \$150,000 out of the contract, and Mr. Walkem, after making the calculations on Mr. McNamee's figures, and having it checked by Mr. Bennett, the Resident Engineer, found that he ought to make a profit of \$150,000.”

THEODORE DAVIE,
C. B. SWORD,
G. B. MARTIN,
HENRY CROFT,
JOHN GRANT.