

WATER WORKS.

The Investigation Continued—Testimony of
George D. Lord.

PROCEEDINGS THIS MORNING.

The full Board of the Committee being present.

George D. Lord being sworn, in reply to questions by Mr. Craig, said: I live in Rochester; am a member of the firm of Lord, Merchant & Co., am engaged in contracting; sometimes do contract work outside; I was one of the bidders for the Rochester Water Works; the firm is not interested in my outside contracts. [On the bid for Water Works being shown Mr. Lord by Mr. Craig, he acknowledged his signature.] I had no communication with the Board of Commissioners of the Water Works prior to making this bid; I had an interview with Mr. Tubbs a few days before the bids were submitted, at which some of the Commissioners were present at the office in Smith & Perkins' block; the specifications, profile and plans were there submitted; Mr. Kuichling was present; I had a conversation with him a few days before the letting; I cannot give a detailed account of the conversation had with Mr. Tubbs; the conversation was general; he said he (Tubbs) was going to have the work done according to the specifications in laying pipe in the city; I don't recollect having any talk with Mr. Tubbs, or Kuichling, about any other part of the work except in the city; there might have been a conversation about the brick; had no further conversation or communication, orally or in writing, except with Mr. McDonald in Albany several days before the bidding; I asked him to bid on the work, I had no talk with McDonald before the bid touching the assignment of his contract to me further than that I told him if he put in a bid, I would do the work; I did not mention this to any of the Commissioners, or to Mr. Tubbs, the engineer; I did not tell anybody that the brick for conduit would not be used; I did not give anybody else any information about this brick, except to Mr. Kuichling; I gave no suggestion as to the probable use of iron, brick or white oak; Mr. McDonald told me in Albany, before the letting that no brick would be used, as no brick conduit could be safely used, as he had experience in the South, at Charleston, that was unfavorable to the use of brick; I had a conversation with Mr. B. G. Clark, in New York; asked him what he would furnish so much iron for; he did not give me any satisfactory reply as to what he would charge; he was silent about it; I had no conversation about the use of oak except with Mr. Sheppard; I had a conversation with him in his office in company with Mr. McDonald; I could have got oak for less than \$100 per thousand; the excavation, the brick and the oak were included in my bid for this conduit at \$12 per thousand; I think it could have been laid for that, but don't believe there was much money in it; I was laying another brick conduit at the time for \$13 and made some money; I think white oak might have been bought at the time of my bid for \$30 per thousand; this oak at \$100 is an unbalanced bid; the engineer puts his price on all work I have bid for; I did not have anybody say that wrought iron, or any other material, would be used before the letting; I cannot tell how many thousand feet of oak has been used; it is over a hundred thousand; I can't say by whom the suggestion about using oak was made; I don't know whether it came by direction of the Board or Chief Engineer; I can't recollect; it did not come by me, but my impression is that it came through the direction of the Chief Engineer; I made no directions as to the use of white oak, as it came either through the Board or the Engineer; I made a sub-contract with Mr. McDonald for the use of white oak after the letting; I made a contract with Mr. Shepherd at, I think, \$30 per thousand delivered; I think I can tell by reference to my books; I will report that from my books; there was never any subsequent agreement with Mr. Shepherd for supplying this oak; I have ordered oak from Messrs. Craig & Crouch also; I can't tell when this contract was made; I have also made contracts with several other parties for oak, up the line, the orders for this being given by Mr. Spaulding; I have never seen these parties, that I know of; I know of no other persons contracted with for white oak; I can't tell how much oak has been used altogether; white oak has been used up to within a month; I can't swear to this positively; I believe hemlock or pine is now being used; the white oak has been used for foundation of pipe, gate frames and well houses; I know that white oak has been used all through the city, for laying the pipe, etc.; I can't tell when they ceased using oak; Mr. Northway can tell just how much oak has been used; also, Mr. Randall can probably tell; I can't tell you how long after letting the contract the project of abandoning the brick conduit was made; I did not make the suggestion of abandonment; it was abandoned a few days after receiving the power of attorney from McDonald, in April, 1873; under this writing I took charge of the work; there is no contract from McDonald assigning all his rights and interests in this contract to me; this was made after this power of attorney of April 11, 1873; I had negotiations with Mr. B. G. Clark, of N. Y., about iron after this assignment; this was at 52 Wall street, N. Y., in May, 1873, with Mr. McDonald, I suppose; I can't tell whether I acted as the mere agent or partner, or not; I may have had some interest of my own in the contract at that time—think I had; I can't state positively what it was; It was a portion of the profits if there were any. The only way I ever received any interest from Mr. McDonald was through the profits on the work; I don't think I can state the amount of these interest; Mr. Clark agreed to deliver the iron at \$20 per ton in Rochester, at the Commissioners' yard, provided the city would become responsible for the pay, as he would not take the contractor's securities alone; he was to receive his pay after the delivery of the iron; his contract was made between Mr. McDonald and Mr. Clark, the city endorsing it; there was another contract or writing subsequently made with Mr. Clark; I can't tell whether I signed it or not; both contracts may have been made at the same time; Mr. Clark loaned me \$50,000; my note was endorsed by Jarvis Lord; Mr. McDonald gave no securities; I gave them all myself; I can't tell when it was decided to abandon brick conduit or to use wrought iron; the contract with Mr. Clark was for cast-iron pipe exclusively; I can't tell how or when it was decided to use wrought-iron pipe; I was talking about cast iron, and not about wrought iron, as there was a great profit in cast iron at the time; I talked with everybody I could about cast iron; I did not advise the abandonment of brick; I said I thought it would be better to use cast iron; it was purely a selfish consideration that induced me to suggest cast iron; the profit on the cast iron for the four miles I cannot tell; it depends on the amount of pipe used; it had greatly fallen in the market; the loss on brick would have been \$11,000; the price of iron fell off \$20 per ton; I can tell by the contract when the supplementary contract for the use of wrought iron pipe was made; the Board of Commissioners talked about advertising for wrought iron; I objected to this, and told them that McDonald's contract gave me the right to use any material I saw fit for the pipes; I decline to answer what interest I had in these contracts; the first time I ever heard of the wrought-iron pipe was in 1874; Mr. Booth and Mr. Leighton made a proposal to furnish wrought iron; the Board made the contract with McDonald for wrought iron at 10 cents per pound, and I agreed to it; the witness refused to answer whether McDonald had any interest in this contract, except it was the same as in the first; nobody else has any interest in these contracts but McDonald, except what I may have; there are no papers on record to show who are the parties interested in these contracts, first or second; Mr. McDonald has an interest in this second contract; I have not the sole interest in it; there was a verbal understanding between Mr. McD. and myself as to what would be a right division of the profits of this last contract; the contract with Mr. Clark was not to cover all the pipe from the Lake to the city; I can't tell how much pipe I have had from Mr. Clark; I think there is pipe enough now on hand to finish the work; I have made a sub-contract with Mr. Leighton to pay him 8½ cents per pound for wrought iron pipe; it is the business of the Commissioners' inspectors to see that this pipe is properly laid; I know of no pipe being laid in a careless manner; it costs about one cent per pound to lay this pipe; the pipe is sometimes paid for before it is laid; distribution pipe costs \$80 per ton, the other \$70; I think 16,000 tons of iron have been used; I have no interest in Mr. Clark's or Mr. Leighton's contracts; the contracts made for iron embraced the Holly water works system; I delivered to the Commissioners the iron used for the Holly system; don't think the price of iron fell before its delivery; substantially the Holly system was completed in Feb. 1874; I received pay for digging the trenches in this city, about fifty miles; where two trenches are dug in one street, laying two pipes, I only charge for one; my judgment is that we can finish the Water Works by next December; can do this if we can get men enough; can't tell how much more it will cost to finish the work; don't think it will be over \$300,000 more; I have been a contractor for twenty years; the average per cent. withheld from this contract is about five per cent.; no advances have been made to me on this per centage; I think the average depth of pipe in this city is about 4½ feet; some places over sewers it is less; can't give the price of iron from September, 1873, to February, 1874; much of this work has been done by my personal inspection; since the commencement of this contract iron has fallen \$20, and other materials and labor has likewise fallen; I think it would have cost the city six million dollars to have done this work; contracts might have been let in sections advantageously by the city.

Questioned by Mr. Warner—The contract for iron called originally for 16,000 tons; can't tell just how much trenching there is yet to do.

As Mr. Lord wanted to consult his attorney before answering several questions put to him him this forenoon, it was finally agreed by the committee to give him until to-morrow morning before finishing the examination. The session was then adjourned until half-past 2 this afternoon.