

“ railway, the width of cuttings, or fillings, the dimensions or character of structures, or in any other thing connected with the works, whether or not such changes increase or diminish the work to be done, or the expense of doing the same, and the contractor shall not be entitled to any allowance by reason of such changes, unless such changes consist in alterations in the grades or the line of location, in which case the contractor shall be subject to such deductions for any diminution of work, or entitled to such allowance for increased work (as the case may be) as the Commissioners may deem reasonable, their decision being final in the matter.”

I have not at my hand (owing to the recent fire) the data by which I could show the effect of any “ changes in the grade or line of location,” but I am perfectly well satisfied that any changes made were rather in the way of decreasing than of increasing the work, and the effect would be a proportionate deduction from the contract sum, making the contractor overpaid to a greater extent than the account now presented shows.

The payment of these extra claims in whole or in part at the present time would, I think, be productive of great evil; it would be accepted as a general invitation to all other contractors on the line, who have entered into similar contracts, to concoct bills of extras, &c. There is no telling to what extent this may be carried. It would tend to have a most damaging effect in neutralizing the efforts of the Government to place the contract system on a more satisfactory footing in other parts of the Dominion, as it would, without any doubt whatever, keep alive the idea that no matter what the contract may be, contractor's losses or expected profits will be made up to him in an irregular way in the end. I have no doubt at all that, owing to the (in my opinion) mistaken policy adopted at the commencement of the Intercolonial Railway, large amounts will in the end be paid for extra claims; but in the public interests I think it would be advisable to fight off all such claims as long as possible, and when it becomes necessary to deal with them, on other than strictly legal grounds, it would probably be best to adopt some well considered, equitable principles applicable to every contractor on the line, and, in order to make the whole binding and final, have the sanction of Parliament to this proposed mode of settlement before anything is done.

It appears to me that this would be a much more satisfactory course in every way than applying arbitrary and indefensible rules in each case, such as Mr. Brydges recommends, and which would, I am certain, only make matters worse instead of effecting a final settlement.

I am, &c., &c.,

SANDFORD FLEMING, *Chief Engineer.*

The Hon. ALEX. MACKENZIE, Minister of Public Works.

### INTERCOLONIAL RAILWAY.

#### ABSTRACT—SECTION NO. 4.

Date of contract, 25th May, 1870.

Contract time for completion, 1st July, 1871.

Works sufficiently advanced to admit of rails being laid and opened for traffic by the summer of 1872.

Contract sum .....	\$438,325 00
Less wooden bridges and drains, agreed to be deducted.	3,500 00

Reduced contract sum .....	<u>\$434,825 00</u>
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Amount paid contractor.....	\$438,070 00
Expended to date by Commissioners in finishing contract.....	

Total expenditure to date.....	<u>\$.....</u>
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