

prices as not final, but only to regulate progress estimates. I was inclined to be somewhat more liberal in my prices, on some of the items, as I was to obtain a settlement with the Contractors, and abandonment by them of their claims for damages. For some of the large items I adopted Mr. *Page's* prices, as for brick work. In Mr. *Page's* estimate, at page 315, many expensive items of ornament &c., &c., were omitted by orders of the Department, which were included in mine. I found many things, when I went there, which it was impossible to abandon, but which, in Mr. *Page's* estimate, were omitted, he proposing to abandon them. The works can be proceeded with now, without any extra cost to the government. There will be extra cost, but it will fall upon the Contractors. The best guarantee for the completion of the work is that the estimate, \$826,000, is ample to complete the buildings. My settlement is, I think, binding upon the government and upon the Contractors.

Honorable H.
H. Killaly.
17th May, 1862

[To Hon. Mr. *Tessier*.]

Mr. *Vankoughnet* was present when I told His Excellency that I thought the buildings would cost three times the appropriation. I had no conversation with any of the ministers upon the subject. His Excellency asked me for my reasons. I said that the stone at Ottawa could not be used, as one principal reason. His Excellency seemed to concur in my opinion. The schedule attached to the contract was only to govern progress estimates. At page 253 Mr. *Keefer's* minute on this point will be found. I read the schedule as applying to extra work, but I was referred to Mr. *Keefer's* report which said otherwise. Mr. *Page's* report stated that a much larger appropriation was necessary. I cannot say whether the Government could have told it fifteen months ago or not. I think not. Mr. *Rose* (I think), sent Mr. *Page* up as soon as he became aware that the progress estimates were exceeding the appropriation. The sureties would have been liable for a non-performance of the contract. The security to the public is to have reasonable prices. The personal security of sureties I do not place much if any stress upon. The law requires tenders and contract. I advocate that system, but not the necessarily choosing of the lowest tender. The securing of the buildings against the winter was, as to temporary measures, at the expense of the Government, as to measures which formed a permanent part of the building, at the expense of the Contractors. I do not know whether the present Commissioner considers my report and settlement as final.

Thursday, 22nd May, 1862.

Honorable J.
Rose.

22nd May, 1862

MEMBERS PRESENT :

The Honorable Mr. MOORE, CHAIRMAN,	
The Hon. Mr. CAMPBELL,	The Hon. Mr. SEYMOUR,
" " " HAMILTON,	" " " SKEAD,
" " " DESSAULLES,	" " " ALEXANDER.
" " " ROSS,	