

delivered up to 1st December last, according to my calculation, is \$1,508,900 66. Of this sum, \$356,234 64 is for work embraced in the contracts, and \$1,152,666 02 is for additional work.

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

9. The estimate of the value of the work required to complete the buildings is \$827,220 01; of this amount, how much is for contract work and how much for additional work?—The estimated value of the work required to complete the buildings is \$827,220 01, of which \$332,360 36 is for contract work, and \$494,859 65 for the completion of the additional work in progress. This estimate does not include the Governor's residence, nor the furnishing of the Departmental or Parliament Buildings, nor the enclosure and formation of the grounds.

10. How do you account for the great discrepancy between the prices in the Schedule and those you have set down for additional work?—When work is taken for a bulk sum, it is necessary, in order to make the progress payments proportionable to that sum, to fix on rates in detail, so that the aggregate quantities of all classes of work embraced in the contract shall, when paid for, not exceed the bulk sum stated. The amount at which the buildings at Ottawa were taken is below the value of the work. Indeed, in several of the important items (take brickwork for instance), the prices would not cover the cost of the material, irrespective of workmanship. The brickwork was priced in the schedule at \$6 30 per thousand laid in the work, whereas a large proportion of the bricks delivered on the ground cost \$8 per thousand, and so in proportion on other items. The rates of the schedule by no means represent the true value and actual cost of the work. Those I fixed on for additional work were arrived at after careful calculation, and I conscientiously believe them to be fair, especially when it is considered that by the arrangement I made with the Contractors, they are held bound to complete the works under contract for the original bulk sum, and to waive all claims whatever to compensation for losses, whether arising from the stoppage of the works or otherwise. The amount of additional work embarked in was, as near as may be, three times that of the contract; it is evident, therefore, that all the outfit, plant, machinery, &c., &c., which would have been sufficient for the contract work, had largely to be added to. The number of the labourers and mechanics being necessarily increased in the same proportion, the supply from the locality was utterly insufficient, and they had to be collected not only from every part of the Province, but a large number of them were brought from the States and other distant places. The rates of wages were, of course, most seriously affected by the greatly increased demand for men. Labourers who at first were had for 60 cents a day, afterwards went up to \$1 10. The wages of the mechanics rose fully in the same proportion—a great increase in the price of materials and difficulty of obtaining them in the larger quantities required for the additional works, naturally followed. Bricks, at first to be procured at \$5 a thousand, rose to \$8 a thousand, and had to be brought from Brockville, Prescott, Sorel, &c., and since the works commenced \$11 a thousand have been paid for bricks by house builders. Brickwork, which by the plans to the contract, would have been plain solid walls, was, by the innumerable number of flues, &c., required for the heating and ventilation system, converted into a kind of honey comb formation, in