

made a report in which he stated he had caused careful estimates to be made of the different kinds of work throughout the entire line and handed in detailed estimates of the quantities and cost of every part of the line—the cost being based upon the prices contained in the contracts, his report showed that the aggregate cost of the line would, according to his calculations, exceed the estimate rendered in September, 1852, by about £340,000 currency. It was about this time that an extraordinary advance took place in the cost of labor, provisions, materials, land, and indeed almost everything in Canada, and this had a very important and unfortunate effect upon the cost of Great Western Railway. Contractors in Canada are (necessarily) in most cases men of small capital, and it is clear that unless they get remunerative prices for their work they are unable to carry it forward, because they depend upon being able to pay their men, buy provisions for the men and horses, purchase materials and implements out of the money they monthly receive from the Company on account of the estimates of the work they have done. The result of this is that when a contractor failed as many of them did, the only course to pursue was to relet the works at prices which would enable them to be carried on. This applied peculiarly to all mechanical work, such as masonry, bridging, &c. The wages of skilled labourers having risen to an enormous price, as also the price of timber and iron.

"It must also be mentioned that in many instances the character of the mechanical structures has been much improved, thereby adding to the cost.

"It is easily to be seen how these various facts tended to increase the cost of the line, but in addition to this it now appears that the estimated quantities of work fall in many cases considerably below the actual fact.

"For instance it now appears that the earthworks was short estimated by about 600,000 yards.

"In the item of bridging there has been an under estimate of upwards of 2,300,000 feet

B. M.

"The cost of the station buildings will exceed the estimate by about \$60,000.

"In superstructure that is the cost of iron, sleepers, spikes, &c., and laying them there has been a very large increase. In the early estimates the rails were put down at the first cost in Wales, and no allowance made for transportation, insurance or duties. In the report of June, 1853, the Engineer endeavoured to remedy this omission and made out what he supposed then to be liberal allowances for these items. But his calculations have been greatly upset by the large increase in price before referred to, as having taken place in Canada towards the close of last year. The necessity for delivering the iron at various different points, making it necessary to cart it along miserable roads from the various ports on Lake Erie, Ontario, and St. Clair, to the line of railway, added very largely to the cost under this head. The extent of siding estimated in June, 1853, turns out to be far below the absolute requirements of the traffic, it was then estimated that 17 miles of sidings would be sufficient, but as there are now 33 stations, with the certainty of a very large freight traffic, it is perfectly clear that far more will be needed.

"It appears again that it is not usual for Engineers in this country to add a percentage to their estimates for extras or contingencies, but the fact shews that extra bills which could not be avoided and which could not have been estimated except in the shape of contingencies, have been passed by the Engineer to the amount of upwards of \$300,000.

"The cost of the land is another item of increase, arising to a large extent from the great progress of the country and the prospects of large traffic, shewing the necessity of requiring more land at stations than was at first anticipated. The cost of land was first estimated at about £20,000. It will cost in all about £175,000 currency.

"The next important item is that of rolling stock where a very large increase has taken place. It will need no explanation to point out that this expenditure, when really necessary, as in this case is the best expenditure than can be incurred.