

enlarge or add to the work comprised and described in said plans and specifications, and if the aggregate cost of said enlargement and addition shall exceed the aggregate value of any portions of the work . . . which may be withdrawn from construction . . . the amount of such excess shall be . . . deducted from the total cost of the work."

The total cost of the work to the municipality, it is agreed, is \$115,922.08. From this must be deducted the cost of the disposal works, \$12,190.79, and also the cost of the laterals, which is placed by Armour at \$10,629.70. These two sums being deducted would leave a balance of \$93,101.59; to which must be added the three undisputed amounts above named, \$11,374.74, \$2,826.18 and \$224. This would make a total of \$107,526.51. A further deduction would then have to be made as representing the excess of the extended work over diminished work. This is placed by Armour at \$17,220.36; leaving, according to his contention, the total cost for the purpose of ascertaining his right to a bonus, \$90,306.15; so that he would be entitled to 20 per cent. on \$9,693.85, the amount by which this falls short of \$100,000. That sum is \$1,938.77.

In making the computations necessary to bring about this result, Armour has assumed that the cost of the construction of the laterals is to be determined by applying to the construction of these lateral drains the schedule price found in the Lorenzo contract. The municipality on the other hand, contend that this price does not control, that the cost of the laterals must be found as a fact, and that from the actual cost of the entire work the amount to be deducted on this head is the actual cost of the lateral drains and not a sum arrived at according to some arbitrary schedule.

In the computation of the amounts to be deducted in respect of extra work, Armour has adopted substantially the same theory. He has applied to the extra work and the diminished work the figures found in the Lorenzo contract. This gives him as a result \$15,334.13. Then he says Lorenzo's contract was for an inadequate price, and in as much as the whole work, according to the Lorenzo contract, would have cost more than Lorenzo's price, this sum must be increased *pro rata*; and applying the rule of three, upon this hypothesis, he increases the \$15,334.13 to \$17,220.36.

The municipality deals with this in the first place in precisely the same way as already indicated. It contends