

the Chief Engineer, that it would be better that a re-measurement should be made by the contractors themselves or by engineers employed by them, for the reason that if the Commissioners put on engineers to make a re-measurement, and if those engineers reported substantially in accord with the quantities we were already possessed of, the contractors would be just as far from satisfied in regard to their grievances as they were before. Therefore, Mr. Fleming suggested that the contractors should employ engineers to make the estimates, that they should then be compared with the estimates in our office, and that if it was found there was a difference between them, our engineers and the engineers of the contractors should go upon the ground, and verify the measurements. In that way the general accuracy either of their return or of ours would be established.

On these four sections, in regard to which there is dispute, that is being done at the present moment.

Mr. *Holton*—Ah! the re-measurement is done by the engineers of the contractors?

Mr. *Walsh*—The re-measurement of the work remaining to be done.

Mr. *Holton*—Is that the way you make your payments. Upon estimates of work remaining to be done, and not upon estimates of work actually done?

Mr. *Walsh*—We make our payments upon estimates of the amount of work executed, and therefore if the position of the contractors is established by their measurement as to the amount of work remaining to be done, they would be clearly entitled to more money than they have received.

Mr. *Holton*—I do not see that upon your plan of paying for the amount of work done,—it was only a matter of inference that so much work has been done if you only estimate the work remaining to be done.

Mr. *Walsh*—I think you fail to apprehend the position. When each contract was let, the Chief Engineer had prepared a Bill of Works which was submitted to the contractors, shewing the quantities of rock and earth cutting, with other items of work, upon the 20 miles, or whatever length each section might be. Upon that statement of quantities the person tendered to construct that section of the road for so much money—a lump sum—not so much per yard or per mile, but so much for the whole section. Very well, if it turns out that that Bill of Works was an excessive one, that there is very much less work to be done in order to complete the section than the Chief Engineer estimated at the time, then the question of prices comes in. The contractors will have executed a certain proportion of the work, and they will have been paid *pro rata* upon the whole amount of work on the section,—but if less remains to be executed than was supposed, then they will be entitled to a larger sum than they received.

Mr. *Holton*—The usual mode was to establish a scale of prices for progress estimates. Of course, the final estimate is founded upon the lump sum; and therefore all the progress estimates and payments made would be founded upon the measurement, not of the work remaining to be done, but of the work done, and those payments would be made according to the scale of prices?

Mr. *Walsh*—Certainly.

Mr. *Holton*—Well, you see I did not fail to appreciate the point.

Mr. *Walsh*—Take as an illustration any one item of work done upon the section. Supposing the original bill of works showed, for instance, that there were 100,000 yards of rock excavation, the payment upon the progress estimates would be based upon the assumption that that was the whole amount of work to be done. But if the re-measurement should show that there were only 75,000 yards altogether, then the prices payable for work done would have been increased.

Mr. *Holton*—In point of fact, was not the demand of these contractors for a total change of the progress estimates—that these estimates should be founded upon estimates not of the work actually done according to the scale of prices established by the Chief Engineer, but that they should be paid for the whole of the work minus what remained to be done? Was it not in point of fact a proposition to change the whole plan, and to appeal from the Chief Engineer, who was carrying out the original system established by the Commissioners—was not that the essence of the whole thing?