

This modified plan of carrying out the Schedule system in connection with the Intercolonial Railway is, I think, worthy of consideration, it would meet fully the only objections raised by the Commissioners, while it would avoid the perplexing difficulties to which the lump sum system will be sure to lead, and which I have so frequently alluded to in my previous letters.

It is just possible that I may over rate these difficulties or perhaps looking at the matter from an Engineer's point of view, I may see difficulties which may not strike with equal force the minds of persons who have not practically had to deal with such questions professionally; be that as it may, I would have considered myself wanting in my duty to the Government, had I not laid before you my honest convictions on matters which I conceive of great public importance.

In conclusion I may say that if I have urged the views I hold with earnestness and vigor, it is because I am strong in my opinion of their soundness.

Having done so I shall have discharged my duty, but I shall consider it equally my duty faithfully to carry out to the best of my ability any system which the Commissioners with the sanction of the Government think fit to adopt.

I shall certainly not allow my preference for any other system to interfere in the slightest degree with my making every effort to give effect to the wishes and views of the Government, so as to give the system adopted, whatever it may be the fullest opportunity of success.

I have the honor to be Sir,

Your obedient Servant,

SANDFORD FLEMING,

Chief Engineer.

Intercolonial Railway Office,
Halifax, March 10th, 1869.

EXTRACT from the published Report of the Directors, Great Western Railway of Canada, dated September 29th, 1854, referred to in Mr. FLEMING's letter of 10th March, 1869, to Sir JOHN A. MACDONALD, K.C.B. (See foot note, page 14.)

"The total cost of the line and plant having so much exceeded all previous calculations, the Directors will endeavour to explain the causes which led to this large increase of cost.

"The original estimate of the line was made several years ago, when the price of labor, materials, land, and everything relating to the construction of a railway was extremely low in Canada. It appears that the estimate was framed upon the assumption that the line starting from the Falls of Niagara, about 100 feet below the level of Lake Erie, would keep on that level, and so have not much rise to overcome in reaching the Detroit River. It seems also, that no detailed surveys and estimates of quantities was then made.

"A year or two after this, the then Engineer reported that he thought the line could be carried through for the sum originally estimated.

"It appears that even at that time no detailed and accurate surveys and measurements had been made, as many parts of the line were not even finally located, but the engineer was instructed to show in detail the exact cost of every part of the line. It is necessary here to mention that in 1851 and 1852, contracts for the construction of the whole of the line had been let to various parties, based upon plans and profiles made at that time, and containing stipulations that the contractors would proceed with the works when ordered to do so, these contracts will be hereafter referred to.

"The above mentioned Report was received in September, 1852, and shewed that the cost of the line, exclusive of land, interest, management, &c., would exceed the first estimate by about £300,000 currency. It had always been understood that the Great