

**Transportation
of Rails—
Contract No. 18.**

ton, American currency, as far as you can judge?—Not necessarily if accepted.

14133. I added "and carried out?"—If it had been carried out it would.

14134. Had the probability of its not being carried out anything to do with your decision in not accepting it?—I have already stated that I was not present when the decision was arrived at.

14135. You think not?—No.

14136. Please say whose writing is this on the back of Kittson's offer: "Agree with these people for 5,000 tons. April 30th, 1875?"—That is my writing.

14137. Don't you think you decided to accept that offer?—I think that these letters were simply confirming an agreement, probably arrived at in an interview between the Minister and Mr. Hill, referred to in these letters.

14138. From this memorandum when do you understand that there was a decision by either the Minister or his Deputy to make a contract with Kittson?—On the 30th April, 1875.

30th April, 1875,
decided to make
a contract with
Kittson.

14139. Can you explain then the necessity of getting the report of May 5th, 1875, from the Engineer-in-Chief, upon the rejected offer of Fuller & Milne?—It is probable that in April, 1875, the intention of the Minister was that Kittson should carry 5,000 tons of rails. The season was very far advanced. He was aware that rails could only be passed over the rapids during high water, and he probably thought that Kittson was the proprietor of the only boats upon the river, and it is very probable that he decided to offer these people 5,000 tons, or to agree with these people for 5,000 tons, and then it is also probable that Mr. Fleming's letter meant—

Witness's explanation of apparently conflicting facts.

14140. Of May 5th, you mean?—Yes, of May 5th; meant that Fuller & Milne's offer should be considered in connection with the further carriage of rails beyond the 5,000 tons.

14141. Do you know why it was that Fuller & Milne had not the opportunity of carrying the first 5,000 tons?—I do not.

14142. Don't you understand that the offer was made before Kittson's, although reported upon formally by Mr. Fleming afterwards: look at the dates of the two and explain it?—Mr. Kittson's letter, in which he alludes to an interview between Mr. Hill and the Minister during a recent visit at Ottawa, is dated St. Paul, April 21st. I conclude from that that the interview between Mr. Hill and the Minister must have been a week or ten days before the 21st of April. Now, Mr. Fuller's letter is dated Hamilton, April 16th, and it was received in the Department on the 19th, so that it is most probable that the arrangement was arrived at before the receipt of Fuller & Milne's letter.

Thinks, owing to an interview with the Minister, the Department was prevented from receiving the better offer and which arrived earlier than the offer of Kittson.

14143. Do you mean in some conversation between Mr. Hill and the Minister?—Yes; I gather that from the letters.

14144. And do you think that in some interview of that kind an arrangement was made by which the Department should afterwards be precluded from accepting the best formal offer made in writing to them: is that what you mean to convey?—I only know what is contained in the letters.