

**Contract No. 1—
Telegraph.**

A variable practice as to asking for Order-in-Council regarding tenders not at first the lowest.

Latterly practice to go to Council on all occasions, save where the lowest tender is accepted.

It would have been more regular to have gone to Council in this case.

Contract not awarded according to the rule at that time.

Correspondence with Mr. Dwight.

Fleming reports that Dwight's Company decline unless paid for clearing, \$320 per mile.

711. Do you know what the usual practice is as to asking for Order-in-Council upon tenders that are not at first the lowest?—The practice has varied a little. At one time an opinion was entertained in the Department that it was not necessary to go to Council when the lowest tender was not accepted, or when the contractor withdrew his tender in some way or other, and that it was only necessary to go to Council when the contractor declared himself willing to do the work, and that the Department wished to pass over him. This passing over we thought could only be done under authority of an Order-in-Council. But of late years we have modified the practice and now we go to Council on nearly all occasions except in cases where the very lowest tender is accepted.

712. Do you remember what the practice was in October, 1874?—We did not think that it was absolutely necessary to go to Council except when the Department wished to pass over a tender.

713. Do you mean, to pass over some regular and lower tender?—To pass over a tender the maker of which declared himself willing to do the work.

714. Then the memorandum endorsed on Sifton, Glass & Co.'s tender by the gentlemen whom you have said to be the law clerks, was not according to the rule in vogue at that time?—I have already stated that we should have gone to Council at that time. It would have been more regular.

715. Then the contract was not awarded according to the regular rule at that time?—Not the absolute rule.

716. Do you know of any reason for not following the regular rule?—It must have been more an oversight than anything else.

717. Have you obtained the correspondence with Mr. Dwight, showing why the contract was not awarded to him?—The only correspondence that we have on the subject is this: on the 16th September Mr. Braun, Secretary of the Department, writes to Mr. Dwight:—

“The Minister directs me to enquire whether the Montreal Telegraph Company is still prepared to carry out section 1 of the Pacific Telegraph Line from Fort Garry to Fort Pelly, according to your tender.”

On the 17th September Mr. Dwight answers:—

“The Telegraph Company, on whose behalf I forwarded a tender for the telegraph line from Fort Garry to Fort Pelly, are quite ready to carry out on the terms named. I forwarded yesterday from Toronto, under cover to Mr. Buckingham, another tender for completing the line from Fort Pelly to Edmonton, in the manner and on terms which, I think, will be worthy Mr. Mackenzie's attention.”

In a report by Mr. Fleming, dated 5th October, 1874, he says:—

“Referring to my letter of 16th September, respecting the tenders for the Pacific Railway Telegraph and the subsequent award of section number one to the parties represented by H. P. Dwight, it appears that these parties, who have recently been here, now decline to execute the contracts, on the ground that they do not embrace the clearing required in the wooded portion in their calculations, and they would require to be paid extra for the clearing, at the rate of \$320 per mile.”

Mr. Fleming says something more in this report, but I do not know that it is necessary to encumber the evidence with it.