

Contract No. 2—
Telegraph.

and this added to the previous sum gives \$280,000. Time of completion three years.

328. Then as far as construction and maintenance are concerned he offers to do this work for \$280,000, without offices?—Yes.

That is \$30,000 minus cost of offices, less than the price contracted for.

329. That is \$30,000 less than the two contracts which you made?—Yes.

330. Do you know whether that \$30,000 was considered to be the value, or less than the value, of the offices?—I must refer you to the engineer for that information, I am unable to answer it.

331. You mention that he tendered to complete this in three years, and it is so stated in Mr. Fleming's certificate?—Yes.

332. Have you looked at Thompson's original tender, or a copy of it?—Yes.

Thompson proposes to finish Secs. 5 and 6 in two years; Secs. 1, 2, and 3 in three years, and Sec. 4 in four years from the date of contract.

333. Will you read what the tender says about the time of completion?—It says: "Inasmuch as the Parliament is quite silent on the question of time for the completion of the line, or of sections of it, I have decided to submit the following which, however, may, perhaps, be modified upon comparing with the Department. Sections five and six in two years, sections one, two and three years, and section four in four years from the date of contract."

334. Then the time that he names for this section three appears to have been fixed upon the condition that he should get five and six?—I have given the exact words of the tender.

No offer made to Thompson.

335. Was there any offer made to Thompson, that you know of, about this section?—Not that I am aware of.

336. Will you produce Thompson's original tender?—Yes. [Exhibit No. 8.]

Fleming's schedule showed Thompson's tender to be \$11,200 per annum for maintenance.

337. In the schedule to which you have referred, relating to section three, Mr. Fleming appears to show Thompson's tender to be \$11,200 per annum for maintenance?—Yes.

The actual tender is 14 per cent. of cost in woodland and 5 per cent. in prairie per annum.

338. Look at the original tender and tell me what his actual offer for maintenance is, and read it?—It is as follows: "I will keep the lines in repair for one and one-half per cent. of the cost in woodland, and five per cent. in prairie per annum."

339. Then his tender for maintenance depends upon the price he asks for construction?—Yes.

Further particulars of tender.

340. What price does he ask for construction through woodland?—Eight hundred and eighty dollars per mile on section number one. He does not state his price for woodland on section three.

341. And for prairie?—For prairie on section three, \$280 a mile.

342. Does his price at \$280 a mile extend to the whole of the prairie on section three or only to that portion beyond Fort Pelly?—Only to that portion beyond Fort Pelly, which is 550 miles.

343. Have you calculated exactly what his tender asks for maintenance?—Yes.

344. What is the gross sum that he asks for maintenance?—\$10,777.50 per annum.