

**Contract No. 1—
Telegraph.**

1st August, 1876,
date when charge
for whole line
commences.

198. From what date does he charge maintaining the whole line?
—The 1st of August, 1876.

199. Was it finished then?—I do not know.

200. Is there any other matter about this contract number one that you would like to explain?—I want to consult more clearly the correspondence, and see what it was that led us to pass over Waddle & Smith's tender.

Palmer in charge
of accounts from
June, 1873, to June,
1875.

201. You spoke of the system of keeping accounts in the Department at different times, but you omitted the period between June, 1873 and 1875. Who had charge of the accounts at that time?—I think Mr. Palmer.

OTTAWA, Friday, 15th August, 1880.

The examination of Mr. Trudeau resumed :

By the Chairman :

Tenders called for
up to the 26th
July, 1874. Opened
7th Aug., 1874.
Fuller lowest for
Section 1, but re-
fused work at
price named in
tender. Dwight
also declined.
Waddle & Smith
offered Section 5
but did not put up
security.

Dwight's ground
for refusal—his
price did not in-
clude clearing
woodland.

Sifton, Glass & Co.
called upon to
take Sec. 1.

202. My last question to you yesterday asked if there was any other matter about this contract number one which you would like to explain. Have you now any additional information to give?—I may state that tenders for the construction of the telegraph were called for up to the 26th of July, 1874. They were opened on the 7th of August, 1874. For section one Fuller was the lowest. He refused the work at the price named in his tender. Mr. Dwight was the second lowest; he also declined. The third lowest, Waddle & Smith, had been offered on the 12th of August, another section, number five, from Fort Garry to Nipigon, but they did not give security. Had Waddle & Smith made their deposit for section five promptly, it would have been a good reason to offer them section one. On the fifth of October Mr. Fleming reported that Mr. Dwight declined to execute the work on the ground that their price did not include clearing of woodland. Waddle & Smith had then been six weeks preparing to give security on section five without having been able to accomplish it. The fourth lowest tender, Sifton, Glass & Co., were then called upon to take section number one.

203. Yesterday in question number 107, and alluding to Fuller's tender, I asked whether it was intended that any other person should get it at a higher price than he was willing to take it. Your answer was given: "the reason is given in the note." To what note did you allude?—The note referred to will be found at pages 130 and 131 of the Blue Book entitled "Contracts let by the Department of Public Works from the 1st of July, 1867, to the 27th of March, 1878."

No Order in
Council authoriz-
ing the contract
with Sifton, Glass
& Co.

The practice is to
obtain an Order
in Council under
like circumstan-
ces.

204. Have you the Order in Council authorizing the contract with Sifton, Glass & Co?—There is no Order in Council.

205. Is it the practice of the Department when a tender which is not the lowest is accepted that a report to Council is required?—Yes.

206. And is it then acted on without any Order in Council?—No.

207. Then there is an Order in Council?—There is no Order in Council in this case.