

Contract No. 1—
Telegraph.

179. At that time, September 16th, 1874, had you a more favorable tender from Sifton, Glass & Company for construction and maintenance for five years?—I cannot answer that question without searching the correspondence.

180. If you look at the contract of Sifton, Glass & Co., can you not say whether they are to get anything more than \$20,000 for five years' maintenance?—They ask "with profits."

Sifton Glass & Co. get by contract \$20,000 with profits for five years' maintenance.

181. Have you any reason to know how the persons who tendered for this work considered their price to be affected by the privilege of taking profits?—Yes.

182. How do you understand that it affects their offer? Do they offer to take more or less on account of getting profits?—They will maintain it for less, if they are allowed to take profits.

183. How much less?—Waddle & Smith made it one-half.

Waddle & Smith estimated that profits would reduce the charge for maintenance by one-half.

184. Then, on the same basis, Sifton & Glass would want \$32 per mile without profits?—Yes.

185. How much would that increase the aggregate of the offer of Sifton, Glass & Co. for construction and maintenance?—\$20,000.

186. What would that make their whole tender?—\$147,850 without profits.

On this basis Sifton, Glass & Co's tender \$147,850

187. Have you any reason to know whether the profits are actually a considerable amount or not in the working of this line?—We have no reports on that question in the Department.

No report as yet as to profits on this Section.

188. Can you state whether this work has been fully performed?—I would refer you to the engineers for information on that point.

189. You are not able to say yourself?—Not so well as the engineers.

190. Are you aware of the amount that has been paid up to this time on this contract?—Yes, \$119,085.29.

\$119,085.29 paid up to present on this contract.

191. Do you know how much further is expected to be paid on the contract?—I have not got the information here.

192. That includes how much for construction?—\$101,800 for construction, and \$17,285.29.

\$101,800 for construction and \$17,285.29 for maintenance up to present month (August, 1880.)

193. At what date was that?—This is up to this month.

194. When did the allowance for maintenance begin?—On the line from Winnipeg to Selkirk, 22.15 miles, on January 1st, 1875; on the line between Winnipeg and Fort Pelly, 294.36 miles, on August 1st, 1876, less two months not maintained; the line crossing Red River from 31st March, 1876, \$180.

Dates when charge for maintenance began.

195. From Winnipeg to Selkirk—is that moneyed out at \$16 a mile?—Yes.

This is calculated at \$16 a mile.

196. And the other at the same rate?—Yes.

197. What is the amount up to the 31st of March?—\$15,306.72.

Up to 31st March, \$15,306.72.