

7 EDWARD VII., A. 1907

instruct you to call for tenders in accordance with the railway specification for quantities and delivery as below:

' Division.	No. of ties required.
' Western . . . . .	20,055
Central . . . . .	36,667
Eastern . . . . .	17,757
Windsor and Dartmouth . . . . .	18,455
Eastern Extension . . . . .	20,125
Sydney and Point Tupper . . . . .	33,407
Oxford and New Glasgow . . . . .	none
North, No. 1 . . . . .	none
"    2 . . . . .	none
"    3 . . . . .	none
	(Pearson ties, for Mr. Burpee's requirements.)
"    4 . . . . .	22,585
"    5 . . . . .	115,970
Drummond Co. . . . .	44,190
Canada Eastern . . . . .	79,201
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	408,412
Pearson's ties, as above . . . . .	72,000
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	480,412'

There are some eleven divisions there in which you instructed the manager to call for tenders for the supply of ties. There are three divisions in regard to which the instructions were that all the ties were to be taken from Mr. Pearson without tender?—A. I do not find that on the instructions I have got. Is that written on the letter there?

Q. Is that the direction that was given?—A. I have got a copy of the instructions here; you can see it.

Q. What I have read is your letter to the general manager instructing him to call for tenders for 408,412 ties?—A. Yes, I see that is in the letter.

Q. For eleven divisions?—A. That is in the letter.

Q. With no instructions to call for tenders in the other three divisions. These were left to be supplied by Mr. Pearson without tender?—A. That is what I understand.

Q. You were directed to write to the manager to that effect?—A. That is right, to write that letter.

Q. Do you remember receiving a letter from Mr. Pottinger, the general manager, within a few days after the letter of the 17th February?—A. Yes, the letter of the 19th.

Q. In that letter Mr. Pottinger states: 'As you may not be aware, I thought it better to let you know that the highest price that we have been paying for Princess pine ties on that part of the railway during the summer and fall of 1905 was 27 cents.'—A. Yes.

Q. Not 28 cents, as your letter had informed Mr. Pottinger was the case?—A. No.

Q. 'That we have purchased a number of ties from various persons, which ties were, I believe, taken from the same lot and were delivered in the same locality, and we paid 27 cents for them; and we have been offered at different times further quantities of these ties at 27 cents.' Notwithstanding that fact the department, in the letter of February 17, instructed the manager to buy ties from Mr. Pearson at 28 cents?—A. Yes.

Q. On February 22 you wrote Mr. Pottinger another letter?—A. Yes.

Q. In which you say: 'I have your letter of the 19th inst. with reference to Princess pine ties to be purchased for the Intercolonial Railway, and in reply I am, by direction, to say that 27 cents is the price to be paid for these ties. Mr. Pearson has