

**Railway Construction—
Contract No. 5.**

793. Will you produce Peach's tender?—Yes. (Exhibit No. 14.)

794. I see that this tender alludes to the "southern" and "central" sections of the branch "as defined in the specification"; can you describe the different sections in the specifications?—Not at present.

795. Was the contract awarded to Peach?—No.

Peach did not get contract.

796. Why?—On the 26th of August, Mr. Braun telegraphed to Peach and said:—

"The Minister wishes to see you respecting your tender for Pembina Branch immediately."

On the 27th of August, Mr. Peach answers:

"Cannot arrange for my security at present. Have written you by this mail."

And the letter written by Mr. Peach was:

"I am in receipt of your telegram, and in reply beg to say that I have only been here a short time from England and I am afraid that I cannot give you the satisfactory security just now, but if you can give me time to get a reply from England, I could then give you all the security you require. Awaiting your reply, etc."

Then on the 28th of August, Mr. Braun telegraphs to Mr. Peach:

"Cannot grant delay asked for, therefor must pass to next tender."

797. Whose was the next tender?—The tender of Mr. Peach was 21 cents a yard, and there were two tenders for an equal price of 22 cents each.

Peach wanted time to put up security.
Peach's price 21 cts. per yard; two other tenders at 22 cts.

798. Of these Mr. Whitehead's was one?—Yes; Mr. Joseph Whitehead, and Mr. A. H. Clark.

Whitehead's one of these.

799. Do you know when these tenders were opened?—Yes.

800. When?—On the 26th of August, 1874.

Tenders opened 26th August, 1874.

801. Were you present when they were opened?—I was.

802. Mr. Whitehead's tenders, one for the central section and the other for the southern section, both appear to have been altered at some time from 28 cents per cubic yard to 22 cents?—Yes.

Whitehead's tenders altered from 28 cts. per cubic yard to 22 cts.

803. Do you know anything about that?—No; they were altered before they were sent in to the Department.

Tender altered before reaching Department.

804. They were in their present state when they were opened?—Yes.

805. Then the contract was made with Mr. Whitehead on this tender?—Yes.

806. Have you the original contract or a copy of it that you can produce?—I have not got it here, but I can furnish it.

807. Will you produce Mr. Whitehead's tender to be filed?—Yes; I now produce it. (Exhibit No. 15.)

808. Have you an Order-in-Council for this contract?—Yes.

809. Of what date?—7th September, 1874.

810. Was it the rule of that time to require an Order under the circumstances of this contract?—I have already explained that the opinion was held by several officers in the Department that even in this case it would not have been absolutely necessary to get an Order-in-Council.