

**Railway Construction—
Contract No. 25.**

Price based on schedule of prices.

1145. Was the price of this work based upon a schedule of prices applied to the works mentioned in your bill of works?—Yes.

1146. And the moneying out of these prices shows the relative position of the persons who tendered?—Yes.

Report of Engineer.

1147. Have you any report from the engineer upon this subject, relating to this contract?—Yes; I produce it. (Exhibit No. 54)

Contractors, Purcell & Ryan.

1148. Was the contract given to the persons who made the lowest tender?—The lowest tender was made by Mr. Purcell, and the contract was given to Purcell & Ryan.

1149. Have you the tender by Purcell?—Yes; I produce it. (Exhibit No. 55.)

Letter of Braun to Purcell, asking for deposit.

1150. Have you any letters, or copies of letters, from the Department to Mr. Purcell upon the subject of this tender?—On the 30th of May, Mr. Braun writes to Mr. Purcell:

“With reference to your tender dated the 20th instant, for contract “25 of the Canadian Pacific Railway, I am now requested to state “whether, and when, you are prepared to make the necessary 5 per “cent. deposit, namely \$50,000.”

And I find, attached to the tender, letters which show that Mr. Fleming had already written, on the 25th of May, to Mr. Purcell, very much to the same effect,

Tenders opened on 22nd May.

1151. This report from Mr. Fleming upon the position of the persons tendering, and the amounts named by each, appears to show that the tenders were opened on the 22nd of May. Is that right?—Yes.

All who opened tenders connected with Engineering Dept.

1152. The gentlemen who opened those tenders are all connected with the Engineering Department?—Yes.

1153. Was that usual in the opening of tenders?—It was usual to have two or three persons, and those who could afford the time were selected.

The managing heads of Departments could not always spare the time to be present

1154. It was not always the practice to have one of the managing heads of the Department, either the Minister, Deputy Minister, or the Secretary, for instance?—No; because the time could not always be spared.

Tenders opened the day named in the advertisement.

1155. This certificate seems to show that the tenders were opened the day named in the advertisement?—Yes.

1156. I understood you to say upon a previous occasion that the practice was to allow a few days to elapse before opening them; am I right?—Yes.

Does not know why departure was made from the practice of allowing a few days to elapse before opening tenders.

1157. Do you know why that practice was not followed on this occasion?—I do not.

The usual practice was not followed.

1158. This was different, then, from the usual practice?—Yes; the tenders were opened at four in the afternoon.

1159. I notice, by some correspondence between Mr. Fleming and Mr. Purcell, that the terms of the tender were changed after the receipt of it by the Department; can you explain that? The penalty or bonus is raised from \$10 a day to \$500 a day?—I am not aware that the tender was changed; the contract is \$10.