

**Contract No. 1—
Telegraph.**

It was concluded that Waddle would probably fail to put up the security.

165. What was your conclusion from that?—The conclusion was that we were aware that he would probably fail, but we did not have it in writing at that time.

166. Do you say now that the decision to give Sifton & Glass the contract for section one was because the Department had reason to think that Waddle & Smith were about to fail to give security for contract number five?—Yes.

If they had put up security for Sec. 5, they would still have been excluded from Sec. 1.

167. Would not the result have been the same if they had given security for section number five? Would they not have been still excluded from section one?—They would.

S. Fleming's report as to Fuller's additional price for clearing.

168. Look at Mr. Fleming's report where he mentions Mr. Fuller's additional price for clearing? Will you read what he says about Fuller's offer?—"With a view of arranging some of the terms of the contract with Fuller, to whom was awarded the construction of that portion of the Pacific Telegraph between Fort Garry and Edmonton, I met him at my office on the 14th instant. Mr. Fuller stated that his tender for that portion of the line between Fort Garry and Fort Pelly, section number one, was based on carrying the line south of Riding Mountain, and almost entirely through a prairie country; that if it was taken north of Riding Mountain, he would be required to be paid \$20 per acre for all the clearing necessary to be done."

169. Do you know how much of the route south of Riding Mountain, if there ever was such a route proposed, was through woodland?—I do not know.

Proportion of wood and prairie on north route not then known.

170. Do you know whether the Department had any information as to the probable quantity of woodland north of Riding Mountain, the one actually adopted at that time?—I think that would be a proper question to be put to the engineers.

171. Then you do not know, you mean?—I do not know.

172. Mr. Fleming speaks of an amount there between fifty and sixty thousand dollars additional which the new offer involved. I wish to ascertain whether the Department had any means of knowing whether it would be fifty thousand or sixty thousand?—The Department has only got the information furnished by Mr. Fleming.

173. Do you mean furnished by that letter?—Yes.

174. Proceed to read the next section?—"This will have the effect of adding between fifty and sixty thousand dollars to the sum mentioned in his tender."

175. Then you say that the Department was not aware which of these sums would be the correct one to add?—No; they only had this information before them.

176. If it had been \$50,000 instead of \$60,000, what would be Fuller's aggregate tender for construction and maintenance for five years?—\$118,750.

Fuller's tender of Sept. 16th, 1874, between \$118,750 and \$128,750.

177. Then, from Mr. Fleming's report, from which you have read, dated September 16th, 1874, you understood that Fuller's tender was somewhere between \$118,750 and \$128,750?—Yes.

178. But you do not know exactly where it was between them?—No.