

Contract No. 1—
Telegraph.

277. Do you mean understood by the Department?—Yes.

278. Does that report or letter of Mr. Fleming's recommend any action?—It does not.

279. You say that Mr. Fleming speaks only of the explanation of Sifton, Glass & Co.'s tender, by which sixteen dollars per mile was now to be added for maintenance; was that an explanation which he had not first gathered or understood from their tender? Was it a new explanation of its terms, that is to say, was it different from this schedule which you extracted on the 7th of August?—Yes.

280. In speaking of the \$900 of profits as the difference between the two offers, or rather to meet the difference between the two offers, did they not include the profits for five years? In other words, if the profits of the line for five years should amount to more than \$900, Fuller's offer would be still the lowest?—Yes.

281. Then do you say that, in order to treat Sifton, Glass & Co.'s tender as the lower one, it is necessary to assume that the five years' profits will not be over \$900?—Yes.

That Sifton, Glass & Co.'s tender should be held the lower necessary to assume that the five years' profits would not be over \$900.

282. Have you any original papers from Sifton & Co. as to the terms upon which they would maintain the line?—I have not, but I have a copy of a letter from Sifton & Glass to Mr. Fleming, dated 30th October, 1874, to the following effect:

Letter from Sifton, Glass & Co. assumes that they had tendered for the construction of C. P. T. as a whole or for any section.

"In reply to your letter of this morning we beg to say that according to our tender of the 22nd of July last for the construction of the Canadian Pacific Telegraph, or any section thereof, the average price per mile for woodland was to be \$629 per mile, and for prairie \$259 per mile. We estimate that there would be 1,485 miles of woodland, which, at \$629 per mile, would come to \$934,065, and that there would be 705 miles of prairie, which, at \$259 per mile, would be \$182,595; in all \$1,116,660. Our whole tender for the whole work was \$1,290,000, the difference between the two sums, namely, \$172,340, being our tender for maintaining the working of the line for five years. Any portion of the work now awarded to us should be based upon this calculation which we estimate at, say sixteen dollars per mile per annum. Contractors are to maintain the work and receive the profits of the line.

"(Signed) SIFTON, GLASS & Co."

283. Please look at the original tender, and say whether this letter is correct in stating that their offer per mile applied not only to the whole line but to sections of it?—I do not find in the tender that it applies to the section.

The original tender did not apply to sections of the line.

284. Then in that respect it appears to be incorrect, does it not?—Yes.

285. At the time of the receipt of that letter by Mr. Fleming he had access to the original tender?—Yes.

286. And it could have been ascertained whether this letter was correct or incorrect?—It could.

287. Since we parted this morning, have you thought of anything that you would like to add, by way of explanation, to your evidence?—No.