Contract No. 1—Telegraph.

147. In what respect? Will you state it in each instance as it was originally, and as it was altered?—It was originally written thus: "In our estimate we placed the wood line from Fort Garry to Winnipeg river, and from Fort Garry to Fort Pelly at $529." This is altered to $492 per mile; also "The prairie land within a distance of 250 miles of Fort Garry at $209 per mile" was changed to $189 per mile.

148. In the document which you produce as the tender which reached you on July 22nd do you find any positive offer for section number one?—No. No positive offer for Section No. 1 in their tender.

149. That document is in effect a tender for the whole line?—Yes.

150. I think they mention there the rates for this particular section upon which they base their offer for the whole line?—Yes. Rates for Section 1 mentioned as a base for offer for whole line.

151. Is that the only allusion to section one in the document?—Yes.

152. Can you tell by that portion of the envelope attached to the contract where the letter was mailed?—No.

153. Where is the letter dated from?—The letter is dated at Ottawa on the 22nd of July. Letter dated Ottawa, 22nd July.

154. What is the post-mark on it?—There is no post-mark on it at all. No post mark.

155. Then there is no evidence here with the document that it passed through the post-office?—No.

156. Have you yet obtained any of the original correspondence with Sifton, Glass & Co. as to the maintenance of the line?—Yes, but I have not yet assorted it.

157. Can you give any reason why Waddle & Smith did not get the contract in preference to Sifton, Glass & Fleming?—Waddle & Smith were offered the contract for section number five, but they failed to procure securities. Contract offered to Waddle & Smith for Section 5; they failed as to security.

158. When did that happen? When did they fail to procure securities?—Section number five became contract number four later.

159. You say that the contract for number five was offered to Waddle & Smith, but that they failed to give security?—Yes.

160. When was it known to the Department that they had failed to give security?—On the 21st of October, 1874.

161. That was the reason for passing over their tender and giving the contract to Sifton, Glass & Fleming?—Yes.

162. What is the date of the contract to Sifton, Glass & Fleming?—The 17th of October. Contract to Sifton, Glass & Co. dated 17th Oct.

163. How do you account for a reason which occurred on the 21st affecting a transaction which took place on the 17th?—I can only account for it by supposing that it was known that that was the position, and that these letters were exchanged afterwards to record the event. Witness supposes that the position of affairs was known and that letters were afterwards exchanged to record the event.

164. Then you think it was known to the Department before the 21st of October?—I may say that before that the Department had been making efforts to get this information. There was some correspondence with Waddle, and he was always promising that he would furnish the security, but he was not doing it.