

**Railway Construction—
Contract No. 13.**

On the 11th March Mr. Braun telegraphs to Mr. Charters:
"Not hearing from you, and ample delay been allowed, the Minister has passed on to the next tender."

Then comes the telegram of the 17th March, which I have read.

1008. I understand that you are reading from copies, not the original, of this correspondence?—Yes; from copies.

1009. Who makes the next lowest tender?—Mr. Taylor.

Taylor next lowest tenderer.

1010. Can you explain why he did not get the contract?—Mr. Taylor, in a telegram to Mr. Braun, dated 15th March, says:

Taylor abandoned contract.

"Still confined to my bed. Will have to abandon contract."

1011. Where is that from?—Orillia.

1012. Do you know whether any deposit was made by these persons tendering at the time of tender?—I will give the answer in a few minutes.

1013. Have you the original tender of Charters & Co.?—Yes; I now produce it. (Exhibit No. 37.)

1014. Have you the original tender of Mr. Taylor?—Yes; I now produce it. (Exhibit No. 38.)

1015. Attached to this tender of Mr. Charters is a short report from Mr. Fleming; please read it?—"Grading, contract Fort William to

Fleming's report.

"Shebandowan. Taylor is the next above Charters. If Mr. Smith has not heard from the latter, I should say it would be advisable to pass over him and enter into contract with Taylor. Do you approve?"

Reference to Hon. A. J. Smith.

"Yours, &c.,

"S. FLEMING."

1016. To whom is that addressed?—It is not addressed to any one.

1017. Do you know for whom it was intended? Who is the Mr. Smith referred to?—The pencil mark says "Hon. A. J. Smith."

1018. Do you know why he was named?—Probably because he was of the same locality. Possibly the Minister of the Department may have inquired of him whether he was a competent and able man.

Conjectures of witness as to reference to Hon. A. J. Smith.

1019. This is a surmise?—Yes; a surmise absolutely.

1020. What is this pencil writing in the corner?—The pencil memorandum in the corner is: "Mr. Smith will let me know in the course of the day—Wednesday." It appears to be signed secretary—"sec." It is possibly a memorandum by Mr. Braun.

Memorandum relative to Smith.

1021. This report of Mr. Fleming's seems to suggest the passing on to Mr. Taylor, providing Mr. Smith had not heard from Mr. Charters; do you understand why Mr. Smith's hearing should be material?—I do not; you must apply to Mr. Fleming.

Does not know why Smith's hearing from Charters should be material—Refers to Fleming.

1022. Did either Charters & Co., or Mr. Taylor ask for any return of deposit, on abandoning these tenders, that you know of?—I will answer this question later.

1023. Attached to these tenders of Mr. Charters and of Mr. Taylor are apparently signatures of two sureties in each case. Do you know when they declined to take the contract whether any claim was made against the sureties in either case?—These were sureties offered in case

No claim made against sureties, as they did not guarantee that tenders would be adhered to.