

**Contract No. 1—
Telegraph.**

For construction alone Fuller's the most favorable offer by \$9,100.

Up to 16th Sept. Sifton, Glass & Co. had made no offer to maintain Sec. 1 alone.

Fuller's offer to maintain Sec. 1. \$6,000 for five years, in all \$30,000.

Sifton, Glass & Co ask in addition to construction price \$107,850. \$16 per mile per annum with profits for maintenance.

If their profits for five years were valued at anything more than \$900 their tender would still be higher than Fuller's.

Scales thus turned by correspondence with Sifton, Glass & Co.

Department understood that Fuller requested his prices to be changed, but that Sifton, Glass & Co's explanations were explanations of his tender without suggesting increase of price.

259. By how much?—\$9,100.

260. At that time Sifton, Glass & Co. had made no offer to maintain section one alone?—Not alone.

261. How much at that time was Fuller's offer to maintain section one alone?—\$6,000 for five years, in all \$30,000.

262. Was it by negotiations subsequent to that period that an offer was procured from Sifton, Glass & Co. at a lower figure for the maintenance?—I prefer answering that question later.

263. Have you any original documents showing an offer from Sifton, Glass & Co. and the terms upon which they would maintain section number one alone?—I have a letter from Mr. Fleming dated 13th October, 1874, which relates to the subject.

264. Will you put in either the original or a copy of that letter?—I will.

265. Does it state that Sifton, Glass & Co. charge something additional to their construction price—\$107,850—for maintenance of the line?—Yes.

266. How much extra do they ask?—Sixteen dollars per mile per annum.

267. With or without profits?—With profits.

268. At the time of getting that letter the Department understood that Fuller's tender for the construction was \$98,750, including the increase for woodland, and \$30,000 for five years' maintenance; that is, for construction alone Sifton Glass & Co's tender was \$9,100 over Fuller's. Would this new offer of Sifton, Glass & Co's turn the scales in their favor?—Yes.

269. How much?—Nine hundred dollars.

270. But they got the profits, which Fuller did not ask for?—Yes.

271. So that if their profits were valued at anything over \$900 their tender would still be higher?—Yes.

272. Have you any idea of the estimate of the Department as to the profits?—We have no report on the subject.

273. Then this turning of the scales was made by correspondence in October?—Yes; it may have been before October.

274. You say that was the first intimation?—It was reported in October.

275. And was only communicated to the Department by letter from Mr. Fleming?—Yes.

276. Was it upon that turning of the scales that the contract was awarded to Sifton & Glass?—The request by Fuller was that his prices should be changed, and the explanations by Sifton were understood to be merely explanations of his tender without increasing his price.