

**Railway Construction—
Contract No. 15.**

have given security?—Yes; on the 6th of January, 1877, the Minister reported to Council, and in his report the following paragraph occurs:—
 “The letter of Mr. Martin, one of the members of the firm of Messrs. Charlton & Co., already referred to, contains a statement that he is prepared to proceed to give the necessary security, but he did not tender any security, and as he had been given the opportunity of two months to do so, it would have been evidently useless to wait any longer on his account, setting aside altogether the matter of the rupture of the firm of which he is a member.”

written that he was prepared to go on without Charlton, had failed to put up security, and that, besides, the firm was broken up.

1102. Does that qualify your opinion previously expressed?—It does not.

Witness, notwithstanding Minister's report, of the same opinion that the rupture of the firm not material.

1103. Are you still of the same opinion?—Yes.

1104. Then do you think that the rupture of the firm was not material?—Not the rupture of the firm; but the fact that he did not make the deposit for two months was material.

1105. But the rupture of the firm was not material?—No.

1106. Who makes the next lowest tender?—Sutton & Thompson.

Sutton & Thompson the next lowest tenderers.

1107. Will you produce their tender?—I now produce it. (Exhibit No. 50.)

1108. Give me the names in full of the members of the firm?—R. T. Sutton and William Thompson.

1109. Are these the same parties who tendered for the telegraph contract?—I do not know.

1110. Was the contract awarded to them?—Yes; to Sutton & Thompson.

Contract awarded to them by Order-in-Council.

1111. How was it authorized?—By an Order-in-Council.

1112. Have you a copy of the Order-in-Council?—The printed copy of the Order-in-Council is at page 32 of the return to the Address referred to in one of my previous answers. There is a typographical error in it; the \$1,394,000 should be \$1,594,000.

1113. Have you the contract?—Yes; I now produce it. (Exhibit No. 51.)

1114. Do you know whether the dealings between the Department and the persons who have done the work under this contract have been with Sutton, Thompson & Whitehead, or with one or more of that firm?—They were at first with Sutton, Thompson & Whitehead, but since then an Order-in-Council has been obtained recognizing Mr. Whitehead as the sole contractor.

Order-in-Council recognizing Whitehead as sole contractor.

1115. Have you that Order?—I have not got it here, but I can procure a copy of it.

1116. Was the work on this contract within the estimated quantities mentioned in the specifications or has it exceeded the estimated quantities?—It has exceeded the estimated quantities.

Work has largely exceeded the estimated quantities.

1117. Largely, or to a small extent?—Largely.

1118. Do you know whether the progress estimates that are furnished to the Department gave any information when the estimated quantities were first exceeded, either in gross or in detail?—The progress estimates did not give that information.

Progress estimates did not give information that estimated quantities had been exceeded.