

**Railway Construction—
Contract 5 A.**

Price—22 cts. a yard besides hauling.

Clearing so trifling not necessary to mention it in contract.

851. And the only price named for that is 22 cents a yard, besides hauling?—Yes; it is the only price named in this contract.

852. Does that contract in any way refer to clearing, or fencing, or loose rock, or timber, or track-laying, or ballasting?—In the specification attached to this contract there is a clause which says: "On some portions of the prairie there are occasional groves of low poplar, willow or other light timber. Wherever the branch crosses any such groves they will be cleared the width required by day's labor, or in some other manner. This class of work will be so trifling that it will not be necessary to embrace clearing in the contracts for grading."

853. Can you say about what proportion of the expenditure of \$87,589 out of \$141,000 is for the work of the kind described in that contract No. 5, and what proportion is upon other works not described in contract No. 5? Name the separate amounts approximately?—At page 126, of a report prepared by Mr. Fleming, 1879, he states that "the approximate amount of work executed under this extension up to the 31st December, 1878, is \$144,017.75, on account of which there has been paid \$141,500. Of this amount of \$144,017, \$56,428 is for items named in contract number five, and \$37,589 for other items."

854. Has this work, which appears to have cost over \$87,000, been submitted at any time to public competition?—No.

This portion of the work never submitted to public competition.

855. Have you any record of the directions given to Mr. Whitehead to perform this work?—I find that on the 11th May, 1877, Mr. Braun, Secretary of the Department, telegraphs to Mr. Rowan at Winnipeg: "Authorize Mr. Whitehead to proceed with the Pembina extension as part of the first contract at 22 cents for earthwork, and the other work at prices as per his contract 15."

11th May, 1877, Braun telegraphed to Rowan to authorize Whitehead to proceed with Pembina extension, and the terms.

And on the 16th May, 1877, Mr. Braun writes to Marcus Smith, acting Chief Engineer, as follows:—

Braun writing to Marcus Smith, recapitulates the instructions.

"I beg to inform you that on the 11th instant Mr. Rowan was instructed by telegraph to authorize Mr. Whitehead to proceed with the works on the Pembina extension as part of his first contract at 22 cents per cubic yard for earth excavations, and the other work as per prices in his contract for section 15."

We have not, in the records of the office, any letter to Mr. Whitehead.

No letter to Whitehead in Department.

856. Do you know whether it was discussed in the Department as to prices of contract 15 being high or low for the work upon the extension? For instance, it appears by Mr. Fleming's report of 1879 that an amount of over \$24,000 has been paid for the excavation of off-take ditches, at the rate of 45 cents per yard. Was the propriety of that rate for this extension the subject of discussion in the Department?—I should like to refresh my memory by consulting the papers.

Remembers no discussion in Dept as to whether the prices for Sec. 15 were high or low for the Pembina extension.

857. Then, without consulting the papers, do you mean that you do not remember?—Yes; that is what I mean.

858. In order to refresh your memory I will call your attention to this fact: that on the section covered by contract 14, which adjoins the territory over which this extension is built, the price for the same sort of work is 23 cents, instead of 45 cents, and that that contract was previously let. Does that call anything to your memory?—I must consult the documents of the office or the engineers.

The fact that 45 cts. a yard were paid for excavation of off-take ditches, whereas only 23 cts. were paid on Sec. 14, in no way refreshes witness's memory.