

Up to the 13th of May, it was known by Thomas McGreevy that Peters & Moore were below Larkin, Connolly & Co., and he advised that the firm should stick to Beaucage's tender. On the 13th, Thomas McGreevy gave his brother, in Montreal, Boyd's figures, which seem to have confirmed their previous information—that Peters & Moore were lower than Larkin, Connolly & Co. Shortly afterwards, Thomas McGreevy met Murphy, in Quebec, and again being showed Boyd's figures, and being asked to provide the \$5,000 to secure Beaucage, Murphy then proposed to pay Thomas McGreevy \$25,000 to secure the contract for the firm at their own figures, which were the fourth lowest.

This offer was accepted by Thomas McGreevy, and this sum was afterwards paid to Thomas McGreevy by the firm of Larkin, Connolly & Co.

Murphy says he had plenty of margin out of which to make this offer, and that he is correct is shown by reference to Schedule H, Engineers' report.

To carry out this corrupt agreement it was necessary to figure the tenders of Beaucage and Peters & Moore above that of Larkin, Connolly & Co.

On the 16th of May a letter was written to the Minister of Public Works by one of the firm in the name of Gallagher (who was one of their foremen, and whose deposit was supplied by the firm), asking leave to withdraw his tender on a false excuse. This was acceded to by the Minister on Perley's recommendation.

An intentional and uniform error in the three tenders of the firm had been made in the item of sheet-piling, whereby if they were allowed to correct their figures they could shift any of them up very largely.

An opportunity was created for this shifting by Perley sending a letter to the three tenderers on the 17th of May, inviting them, if they choose, to correct the irregularities.

On the 16th the schedule of tenders had been handed to the Minister. Perley also says that he discussed these errors with the Minister, and, if not by his direction, at least with his knowledge, wrote the letters of the 17th to the contractors.

Mr. T. McGreevy was still in Ottawa, and was also in the fullest confidence of the Public Works Department; for he on the same date writes his brother as follows:

(Exhibit "D2.")

"HOUSE OF COMMONS, CANADA, 17th May.

"MY DEAR ROBERT,— * * * * * As I told you yesterday to try and get a good plan, and as quick as possible, in answer to the letter that Gallagher and Beaucage will receive about their tender to bring them over L. & C., so as their tender will then be the lowest. The contract will be awarded from Ottawa direct. I think I will go down on Saturday to be in Quebec Sunday morning."

On 19th May Gallagher answers, by a member of the firm, that he had asked to withdraw his tender on the 16th inst., and that his prices were per foot, board measure, which, when extended, would bring his tender above that of Larkin, Connolly & Co.

On the same day, 19th May, the latter firm wrote the Department that they were willing to perform the work at the prices mentioned in their tender.

On the 20th the firm caused Beaucage's tender to be amended so as to substitute in the piling:

\$19 for 19 cents.

\$17 for 17 cents.

\$15 for 15 cents, &c.

By which his total figures were increased some \$47,000, and his tender was brought over Larkin, Connolly & Co.

The original schedule of quantities prepared by Boyd was laid before the Minister. The letters of the 17th of May to the contractors were authorized by him, and the results of the changes which were written upon the schedule in red ink in Perley's handwriting were submitted to him.

The Engineers reported to us that by a comparison, based on quantities taken from the plans, specifications, and other sources, the tender of Peters & Moore was