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SOUTH WALL CONTRACT, 16TH FEBRUARY, 1887.

The charge is as follows :—

(a.) That in the year 1886, the said Thomas McGreevy procured from public officials, the tenders sent in to the Quebec Harbour Commissioners for the construction of the South wall of the Quebec Harbour Works and showed them to Messrs. O. E. Murphy, Connolly and Robert H. McGreevy, in order to give them an undue advantage over their competitors, and the said Murphy, Connolly and Robert H. McGreevy had said tenders in their possession during several hours, after which they were delivered to Henry F. Perley, who was then in Quebec; and that the contract was awarded to John Gallagher, a mere figurehead for the said Murphy, Connolly and Robert H. McGreevy, who did the work for their own profit and advantage.

There appears to be nothing in the charge itself nor in the evidence given under it which affects the Department of Public Works. Assuming Murphy's evidence on this point (pages 173-174) corroborated by Charles McGreevy's (pages 788-789), to be true, it shows that on the evening of the day on which the South Wall tenders were opened in Quebec, they were in the possession of Thomas McGreevy at his house, and that Murphy and Robert McGreevy had access to them and examined them for some time, and that afterwards they were enclosed in an envelope and carried by Charles McGreevy to Mr. Perley, who was then in Quebec at the St. Louis Hotel.

It is to be assumed, as a matter of course, from this evidence, that the tenders were obtained by Thomas McGreevy as a Harbour Commissioner at or after the meeting at which they were opened, and there is nothing to indicate that the impropriety of their being exhibited to Robert McGreevy and Murphy is directly or otherwise attributable to any official of the Department of Public Works, nor is there anything to indicate or suggest that Mr. Perley had seen them or had them in his possession before he received them from Charles McGreevy, as above mentioned.

On the above assumption, however, the conduct of Mr. Thomas McGreevy requires very serious consideration from his Counsel in meeting this charge, especially when it appears on an examination of the tenders that changes were made in the prices of some of the items. (See Exhibits "B," "D," "F," and "H.")

(b.) That through the intervention and influence of the said Thomas McGreevy changes detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans and works, and in the conditions and securities set out and provided for in the contract.

The only changes made in the plans and works were two :

The raising of the sewer in connection with the wall, or rather adjoining the wall on the south; and the substitution of stone for brick in its construction.

The level of the sewer was a matter which did not affect the Harbour Works or concern the Commissioners. It was a matter for the Engineer of the city of Quebec and he dealt with it and approved of the substituted level (Evidence of Baillaigé, pages 1042, 1043).

It appears, however, that the change of the level involved a considerable incidental advantage to the contractors in connection with excavation, and especially as regards excavation and construction affected by the tide. (See Evidence of Boswell, page 1086).

This, however, was an advantage to which contractors under all contracts of this description would be fairly and strictly entitled.

As to the substitution of stone for concrete and brick in the construction of the sewer the evidence shows that the contractors proposed the change, showing a plan of the same and stating that, according to calculations made by them, the cost of the plan proposed to be substituted would be about the same as the original design. To verify this Mr. Boswell made an approximate estimate of the difference in cost of the two designs, and found that according to the contract prices the work proposed to be substituted would involve an additional cost of \$13,028, and he reported to the Chief Engineer accordingly.