

general election of 1911 a company composed of Conservatives, Mr. O'Leary, of Richibucto, and Mr. Tennant, of St. John, a leading Conservative worker, and possibly some others whose names I do not know, was formed, and they bought out the dredges of the Messrs. Loggie and took over their contract. My hon. friend (Mr. Rogers) will see that the original contractor was liable on this obligation and contract with the Government, and the Government had the right to tell the Loggie Company to perform the work. After the company organized by Messrs. Tennant and O'Leary had taken over the dredges and the contract, they applied to the department to be permitted to cancel their contract by forfeiting their deposit of I think \$3,500.

Mr. ROGERS: \$5,000.

Mr. PUGSLEY: My recollection is that the answer of the minister was that the deposit was \$3,500.

Mr. EMMERSON: Poupore is not a Liberal?

Mr. PUGSLEY: Mr. Poupore was not a Liberal; he used to be the Conservative member for Pontiac.

Mr. STANFIELD: He was a good Liberal under the last Government.

Mr. PUGSLEY: My hon. friend may know as to that, but I do not. However, I am not concerned with Mr. W. J. Poupore's contract because that was done on public tender and the work was in a different place and done under different conditions entirely. I do not hesitate to say that when the company which was organized by Messrs. O'Leary and Tennant, applied to the Government to be allowed to cancel their contract and forfeit their deposit, it was with a view of their getting a new contract for this identical work at an advanced price. They took over the dredges for the purpose of doing the work and they set out to see if they could get a higher price from the Government. The contract with the Loggie Company was for one million cubic yards and at that time there could not have been performed much more than one-half the work. These gentlemen applied to the Government and they were released from that contract by simply forfeiting \$3,500, the amount of the deposit. Tenders were then called for the work. I do not know whether there were any other tenders. I doubt if there were; I think they arranged so that there would be no other tenders; I think the time was short; the dredge owners in the upper provinces could not come down to tender; the result was that for that work which they were bound to perform under covenant with the Government at eleven cents, they got that part of it which remained unfinished at

the time they became the owners of the dredging plant, at nine cents per cubic yard more than the price at which they were bound to do the work. I would estimate from my knowledge as minister, that there remained in the vicinity of half a million cubic yards to do, and it would mean that their profit beyond that which they would receive if they carried out the contract they were under obligation to carry out, would amount to \$45,000. They forfeited \$3,500 to make a further profit of \$45,000.

Mr. CURRIE: I understand that the amount of the first contract was one million cubic yards at eleven cents, or \$110,000. The custom of the Government is to exact 10 per cent as a deposit, which would amount to \$11,000. Where does the hon. gentleman get the balance of \$35,000 which he stated was profit to the contractors? That does not look right on the face of it.

Mr. PUGSLEY: The custom is to exact a deposit in respect to the particular works. It is not 10 per cent which is exacted; it is a certain definite sum which is always named in the advertisement for tenders.

Mr. CURRIE: Can my hon. friend not recall to mind a case where the Government cancelled a number of contracts for dredging on the lakes and then re-let them at a larger figure? What about the towns of Midland and Port Arthur where complaints were made about the cost of dredging? The hon. gentleman cancelled the contracts and let them at a larger amount.

Mr. PUGSLEY: The hon. gentleman knows, or he ought to know as he was in Parliament at that time, that those contracts were for the season of navigation, and then they could not be extended unless the minister extended them by order endorsed upon the contract. In the particular case to which my hon. friend refers, there was a good deal of criticism on account of the contracts having been extended the previous year, and I decided not to extend the contracts but to call for new tenders, as it was proper that I should do. This case was different. Here was a definite contract to dredge a stated quantity, one million cubic yards at eleven cents a yard. The same company was relieved of its contract and succeeded in getting a new contract to do the same work at an advanced price of nine cents, making a loss, assuming that there was about a million cubic yards still to be done, to the country of about \$45,000; and to get this the company forfeited their deposit of, I think, \$3,500. My hon. friend the Minister of Public Works (Mr. Rogers) says that Parliament was bound to give them that advance. Why? Supposing a private individual had a contract to build a house for you and he said, I am strong financially; I