

Mr. BENNETT. I will read a document of A. G. Mackay. Some correspondence was brought down in the House during this session in reference to the extension of these contracts and among others there is a letter written on the 9th of September by Mr. Grant, representing the company that I have termed the Grant Company, addressed to the hon. the Minister of Public Works (Mr. Pugsley) in reference to the extension of the work at Midland and in that letter, among other things, he says:

As you are aware, the Owen Sound Dredge Company and this company have been working under contracts from your department at Midland harbour, Tiffin harbour and Victoria harbour—the contracts for Midland being in our name, and those for Tiffin and Victoria harbour in the name of the Owen Sound Company. Altogether both companies have three dredges—two large steel dredges and one smaller one—and these dredges have been working on all the above contract works as circumstances required.

Mr. PUGSLEY. Is either of these the Penetanguishene Company?

Mr. BENNETT. No, this is the Mackay Company and the Grant Company working together, and I have before stated that although Mackay's Company had had the work at Midland for several years prior to that time they did not tender on the work for that year.

Mr. PUGSLEY. I understood my hon. friend to say he would show that the same man was interested in these two companies that tendered first at Midland, one being the Penetanguishene Company. That is why I asked if there was any evidence that Mackay was interested in that.

Mr. BENNETT. I hardly know the reference the hon. gentleman makes, but I say the two tenders were the result of collusion between the Spohn Company and the Grant Company and the documents bear that out. As to the alleged fraud that was being attempted to be perpetrated on the country by obtaining 53 cents a yard for work at Midland for which Mackay had before been employed at prices from 15 cents to 17 cents, I say that Mackay was a party to that attempted fraud by not tendering himself and thereby hoping, by the placing of these two fraudulent tenders before the department, to get the benefit of it. I have quoted that clause from Grant's letter which goes without saying—

Mr. PUGSLEY. Did not Mackay tender for the work at Victoria harbour?

Mr. BENNETT. That was later on and was altogether apart from Midland. I shall quote one more statement to show that Mackay and the Grant Company were closely identified, Mackay having the work at a point in Midland harbour which is called Tiffin and where the two dredges of the

Mr. PARDEE.

Mackay Company and the Grant Company were working together. In proof that they were united in a business arrangement there is this further clause in the Grant letter:

There is another matter which is disturbing us considerably. At the present time, there is a large balance of money due the Owen Sound Company under the Tiffin contract, and when the December account goes in, it will probably amount to over \$60,000. Ordinarily we could wait until next spring for this money, but financial conditions are so strained this year that the pressure is very heavy. It is not a question of security with us, or our bankers, but simply a necessity for ready cash. The work at Tiffin this year, because of its importance had to be rushed ahead whether there was available money to pay or not and we would appreciate very much if you could have money provided for payments of our accounts by the first of the year.

I submit that so far as this letter of Grant's is concerned, the Mackay and Grant Companies were the one acting concern. But I do not want to rely on the Grant letter alone, I shall have recourse to another letter written by the same Mr. Grant under date of January 14, addressed to the minister. Among other things he says:

I have the honour to further write you along the lines of my letter of December 9 last, and also our conversation on Friday last regarding the contracts for dredging at Midland and Tiffin harbours.

The contract for the latter stands in the name of the Owen Sound Company, with whom we are associated. The former is in our name.

Further on in the same letter Grant says:

With your early approval for the extension of the contracts as they exist, we will undertake along with the Owen Sound Company to have the harbour in such condition that the moment the elevator is completed the largest freight boats on the lakes will be able to dock and discharge their cargo. But to do this we would have to know at the earliest possible moment.

The other points which were taken up in my previous letter it is not necessary to repeat, but I might again say that our combined plants, we feel sure would meet the approval of any capable engineer as the most efficient plant on the lakes available for this work, and the only plants which can insure its rapid completion.

Those are the letters of Grant which demonstrate beyond the shadow of a doubt that Mackay's Company was associated with Grant's Company in that contract. But here is a letter of Mackay himself which is addressed to the minister, dated January 25, 1903:

Dear Sir,—As you are doubtless aware, the Owen Sound Dredge and Construction Company, Limited, have the contract for the dredging of Midland harbour at Tiffin.