

I have to call your attention to the price you have placed in your tender "for pile driving to any depth not exceeding twenty feet," and the note that you have placed that this price is for "labour only." It is clearly stated in clause 80 of the specification that all prices named in the schedule shall be held to cover not only the cost of labour, but of all the machinery, plant, &c.

"I am, Sir, your obedient servant,

"HENRY F. PERLEY,

"Chief Engineer."

Q. He speaks of that as a plain, palpable error. Was that made purposely?—
A. I believe so.

Q. When you got that letter from Mr. Perley asking you to correct it, what course did you take with reference to each of these tenders? What did you do with Gallagher's?—A. It was withdrawn.

Q. What did you do with Beaucage's?—A. Made it dollars. \$20 per foot instead of twenty cents.

Q. What did you do with your own? A. Let it remain as it was.

Q. By altering Beaucage's you put his tender above yours?—A. Not me.

Q. Larkin, Connolly & Co.?—A. That is for somebody else to answer.

Q. By altering Beaucage's tender it made it higher than Larkin, Connolly & Co.'s?—We were told that was the way it was done.

By Mr. German:

Q. Who told you?—A. Thomas McGreevy.

By Sir John Thompson:

Q. Would you just read the item of the tender referring to the piling so that we may see how the mistake occurred?—A. That (referring to the document in his hand, Exhibit "S 2") was only the draft we made our tender from.

Q. Who was the person who actually prepared these tenders? Who attended to that business in the firm?—A. We all did. There was no particular person.

Q. You all knew what was being done?—A. Yes.

Q. Was the same mistake made in Gallagher's and Beaucage's?—A. Yes; in the same way but with different prices.

Q. They were all put in by measurement along the top of the work?—A. In the length of the pile.

Q. That did not include materials?—A. So Mr. Perley says.

Q. Do you know?—A. I do not. I have not read it since.

Q. Did you know at the time these tenders were being put in that this error was being made purposely?—A. They were made all three alike at the time and we knew it would include all labour in connection with these piles. We knew very well that it included all labour.

Q. What did?—A. These piles.

Q. Do you mean that the specification calling for the tender covered the labour and material or both; or was that your tender?—A. The specification and tender both.

Q. Did your tender include both?—A. Certainly.

Q. Then where was the mistake?—A. It was purposely done.

Q. In that respect you departed from the specification?—A. We were told that it was a mistake in the letters from Ottawa.

Q. Did you know that it was done at the time?—A. Yes.

Q. In all three tenders?—A. I did not see Beaucage's go in.

Q. Did you know that that departure was made in all three?—A. We discussed these tenders all together.

Q. Did you know that that change was being made in the other two tenders as well as your own? That is, in Beaucage's, Gallagher's and Larkin, Connolly & Co.'s?—A. I want to answer the question, but I want it to be put so I can understand it.

Q. The specification called, in the section Mr. Perley has referred to, for a tender for labour and material both. You knew that?—A. Yes.