

On the 26th of April, 1887, he writes:—

“MY DEAR ROBERT,—I have just seen Perley on dredging. I think he will report on 35 cents and put in some conditions which will amount to nothing. He will report when I will be there.”

On the 27th April, Mr. Perley wrote to Larkin, Connolly & Co. as follows:

“OTTAWA, 27th April, 1887.

“GENTLEMEN,—There remains a large quantity of materials in the Wet Basin, Quebec Harbour works, a portion of which it is desirable should be removed during the ensuing summer, and the propriety of proceeding therewith I desire to bring to the notice of the Commissioners. Before I can do this I wish to obtain the price per cubic yard, measured in the same manner as was the dredging previously done by you, at which you will do what is required.

“I want only one price, which must cover the dredging to any depths required, which may not exceed fifteen feet below low water spring tides, and the conveyance to a place of deposit, whether in the embankment or in the river. An early answer will oblige.

“Yours obediently,

“HENRY F. PERLEY,
“Chief Engineer.”

On the 28th of April Larkin, Connolly & Co. replied as follows:

“QUEBEC, 28th April, 1887.

SIR,—Your favour of the 27th inst. is at hand. In reply, we would beg to say that we are prepared to do what dredging is required, as mentioned in your letter, for the average price of our previous dredging, viz., thirty-five (35) cents, although the difficulties are greater than we have had to contend with during the progress of our previous dredging, inasmuch as the passage is narrow, the currents stronger, and the distance to the place of deposit further.

“We are, Sir, your obedient servants,

“LARKIN, CONNOLLY & CO.”

On the 6th May following Perley communicates these letters to the Harbour Commissioners and recommends “the offer of Larkin, Connolly & Co. for consideration,” stating “he considered the price fair and reasonable,” and suggesting “that the expenditure be limited to \$100,000 during the year.”

On the 10th May the Harbour Commissioners meet and agree to give Larkin, Connolly & Co. a contract agreeably with their tender, on the condition that the dredge material should be placed and levelled on the Louise Embankment, or in such locality as might belong to the Harbour Commissioners, and that the actual contract should be confined to work done during the summer of 1887, and limited to \$100,000.

The contract was entered into on the 23rd of May, 1887.

It provided (1) That contractors should place and level the dredge materials on the Louise Embankment, or on such other locality belonging to the Quebec Harbour Commissioners, or that may be hereafter acquired, the balance to be dumped into the river; (2) That the dredging should be to any depth which shall not exceed 15 feet below low water spring tides, and was to be paid for at the rate of 35 cents per cubic yard; and (3) That the expenditure during the summer of 1887 was not to exceed \$100,000.—See contract, p. 14 of the Blue Book (Exhibit “N 5.”)

It will be observed that by the contract of 1882 Larkin, Connolly & Co. were to receive for dredging to a depth of 15 feet below low water 27 cents per cubic yard, and that they had continued dredging at that rate during the subsequent years, 1883-4-5-6, making handsome profits each year. No pretense of calling for tenders appears to have been resorted to, but this contract of 1887 increased their price 8 cents a yard, which, on the quantity proposed to be excavated of 800,000 yards, would give an extra profit over and above that made on their contract of 1882 of \$64,000.