

tion. I will be down in a few days to see you. In the meantime, do not reply until you see me. The question of some diminution in the value of the Dock being shorter than contract came up. Perley says it is thirty-one feet shorter. I think that they can be convinced that only bulk some contract will ensure completion this coming season.

" Yours,  
" R. H. MCGREEVY."

On the 16th May, as promised in Robert McGreevy's letter, Perley writes to Larkin, Connolly & Co., asking them "for an offer for which they will complete the Dock during 1884 for a bulk sum," also a sum for the erection of a caisson. It would appear from this letter that the question of paying the contractors a lump sum to induce them to finish the Dock had been discussed between Perley and the contractors some months previously. On the 19th May Larkin, Connolly & Co. reply, offering to do the work for \$64,080 and \$10,000 for the erection of caisson chamber.

The original draft of the reply, in the handwriting of Robert McGreevy, was produced and put in evidence. It was sworn by Robert McGreevy and O. E. Murphy to have been submitted to and revised by Thomas McGreevy.

On the 24th May Perley writes two lengthy letters to the Harbour Commissioners, one stating that he had determined to shorten the Dock 55 feet and the other that he had received an offer from Larkin, Connolly & Co. to complete the shortened Dock for the bulk sum of \$64,080 and \$10,000 for a caisson, and recommending that the offer be accepted.

On the 29th May the Harbour Commissioners met and accepted these recommendations, subject to the approval of the Minister of Public Works, and on the 5th June Sir Hector Langevin reports to Council recommending that the action of the Harbour Commissioners be approved, "on condition that the caisson be completed by the 1st of November then next, that all risks and responsibilities be assumed by the contractors, and that they, the contractors, should make no claim for extras for the future."

The conditions attached to this recommendation of the Minister shows he must have carefully considered the subject, but in our opinion he must have known that in agreeing to pay \$74,000 to Larkin, Connolly & Co. for work they were already bound, by their previous contract, to do, he was acting in a totally unjustifiable manner.

After the Governor in Council had approved of the Minister's report, the contract was, on the 25th day of June, 1884, duly entered into.

On the 2nd June, immediately after the Harbour Commissioners had accepted Perley's recommendations, notes were drawn up by Larkin, Connolly & Co. for the amount of \$22,000 to be paid Thomas McGreevy.

Murphy says (p. 112): "There was one of \$2,000 made to the order of Michael Connolly for two months. There was one of \$5,000 made to my own order for three months. There was one made to Nicholas Connolly of \$5,000 for four months. There was one made to Michael Connolly of \$4,000 for five months. There was one made to Patrick Larkin for \$6,000 for six months. The \$6,000 note Mr. Robert McGreevy afterwards gave to me, and told me, his brother wanted smaller notes. I paid him \$2,000 in cash and gave him two notes to the order of Michael Connolly for \$2,000 each."

These notes were handed by Murphy to Robert McGreevy, who swears that he handed three of them direct to his brother the day he received them, and paid him the \$8,000, being the proceeds of the other notes, later on. Thomas McGreevy says he does not recollect receiving the notes from his brother. The amount of \$22,000 paid in retiring these notes appears, by the report of our Accountants, to have been charged in the books of Larkin, Connolly & Co., 30th April, 1885, under the head of "incidental expenses," and we have no hesitation in finding that it was so paid by Larkin, Connolly & Co., and that the whole or greater part of it was received by Thomas McGreevy.