

24. That to the detriment of the public interest, a contract was signed in or about the month of June, 1884, for the performance of the said works, and that subsequently the said Thomas McGreevy received the price stipulated in the corrupt arrangement above mentioned, namely, \$22,000.

In order to arrive at an intelligent judgment on this charge, it is necessary to review the facts connected with the letting of the original contract, the manner in which that contract had been carried out up to the time when the supplemental contract was entered into, the entering into that supplemental contract, and the payments which have been made to the contractors from time to time.

The original contract was entered into the 17th of August, 1878, between the Harbour Commissioners of Quebec and Larkin, Connolly & Co.

It provided that for the consideration of \$330,953.89 the contractors should build and finish a Graving Dock at Lévis 500 feet long and 100 feet wide, and hand the same over to the Commissioners completed in accordance with drawings and specifications on or before the 1st of June, 1882.

Most effective provisions were inserted securing the Harbour Commissioners from any claims for extras or damages, and holding the contractors responsible not only for failures and delays in the execution of the contract, but also for the stability of the work itself, and all its plant when built.

Special clauses were inserted throwing the risks and responsibilities upon the contractors with respect to the foundations on which any of the works were to be erected, or with regard to the materials to be excavated.

We mention these clauses in passing, because they seem afterwards to have been ignored, when entering into the supplemental contract with the contractors, and in the settlement of their claims.

Difficulties arose with regard to the foundations of the outer walls of the Dock shortly after the contract was entered into, but little evidence was given to us respecting the nature or cause of these difficulties.

In June, 1884, the contract was still far from completion, and up to that time it was shown that the contractors had presented a bill for extras of \$40,659.74, and had been paid an additional sum of \$141,326.80 for alleged expenditure on an auxiliary dam constructed by them in an effort to obtain a foundation for the walls of the Dock at the outer end.

This work had been done by day's work, and the Government charged with the material used, but the profits, it is alleged, were not large.

In the spring of 1884 a corrupt agreement was entered into between Thomas McGreevy and Murphy, whereby McGreevy undertook to get the Dock shortened some 55 feet, and to pay the contractors a large sum of money, and Murphy undertook, on the part of Larkin, Connolly & Co., that if the Dock was so shortened and a lump sum of money paid to them to complete it by the end of the season of 1884 the firm would pay to McGreevy all they received over \$50,000. At the same time Murphy submitted to McGreevy an estimate in pencil made by the engineer of the firm, one Hume, showing that it would cost \$43,980 to complete the Dock. This estimate was produced before us, and put in evidence. In addition to this \$43,980 there was a caisson to cost \$10,000, making in all \$53,980, or \$54,000 in round figures.

Some little discrepancy existed in the evidence as to whether the sum agreed to be paid to Mr. McGreevy amounted to \$14,000 or \$22,000, but there seemed to be little doubt that he was to get all that the contractors received over \$50,000.

Shortly afterwards Robert McGreevy, who was not interested personally in the contract, was in Ottawa, and on the 13th March, 1884, wrote to Murphy. (Exhibit "U12") : " I will get my brother to interview Perley with Valin, before I leave, on Graving Dock."

On the 17th either of April or May, he again writes Murphy :

(Exhibit "V12.")

" OTTAWA, 17th 1884.

" MY DEAR SIR,—The result of the interview between Mr. Perley and my brother was that he, Perley, will write you to ascertain the rate at which you will complete the Dock, giving a guarantee of completion within this year or the season of naviga-