

Murphy testifies that he gave \$10,000 to Robert McGreevy for Thomas; that he gave another sum of \$10,000 to Thomas McGreevy himself, and that he expended, in a manner directed by Thomas McGreevy, not only this \$5,000 but \$2,000 additional. This statement was accepted by the other members of the firm and, accordingly, \$27,000 was charged to "expense account" in the books of the firm. The Committee do not consider it important to determine whether the evidence of Murphy as to these details is true or not, but his statements as to the disposition of part of the sums of \$5,000 and \$2,000 are positively contradicted by the evidence of some of the persons to whom he claims he made payments.

The document marked Exhibit "M5," written by Michael Connolly, shows that as far back as January a rate of 35 cents per yard for the new dredging had been discussed and arrived at as the price which was to be obtained for that work if possible. Your Committee are of opinion that this document was prepared for the purpose of being shown to Thomas McGreevy.

On the 16th and 26th April, respectively, Thomas McGreevy wrote to his brother Robert, letters of which the material parts are as follows:

(Exhibit "E2".)

"16th April.

"I have just seen Perley about dredging. I have arranged to meet him on Monday to discuss his dredging report before he sends it to Harbour Commissioners, also other matter about Graving Dock, &c. * * *

"As Curran's motion is coming up on Monday, I thought better to remain here, also to see Perley and arrange matters with him. When I am wanted below you will let me know."

(Exhibit "F2".)

"26th April.

"I have just seen Perley on dredging. I think he will report on 35 cents and put some conditions which will amount to nothing. He will report when I will be there." * * *

The allegation that Thomas McGreevy knew that dredging of the same kind, and even more difficult, had, before that time, been executed for 27 cents per yard and even less, in the same work, involves the necessity of a reference to evidence introduced for the purpose of showing the relation, in this respect, of the contract under discussion to the dredging contract of 1882 and that matter will be dealt with under the 4th charge against the Department of Public Works, but there is little, if any, room for doubt as to Thomas McGreevy's knowledge that the price arranged for was excessive.

Your Committee therefore find that Thomas McGreevy, knowing that his brother was a partner in the firm of Larkin, Connolly & Co., made an arrangement with them by which he was to receive from them \$25,000 to be appropriated for political purposes, out of the proceeds of a contract for 800,000 cubic yards of dredging in the Wet Dock of the Quebec Harbour Works at the price of 35 cents per yard, which it was understood he would endeavour to procure for the firm. There is no evidence that Thomas McGreevy used his influence with the Department of Public Works in connection with the making of this contract. The contract was not let by the Department of Public Works but by the Harbour Commissioners, and it appears that the Department had nothing to do with the contract. Mr. Perley was connected with it only as Engineer of the Harbour Commissioners.

The only evidence of the use of influence upon Mr. Perley, as the Chief Engineer of the Harbour Commissioners is that constituted by the inference arising from Thomas McGreevy's letters. On account of Mr. Perley's state of health, it was found impossible to obtain evidence upon this and many other matters.

It is stated in the charge that, before the Harbour Commissioners were consulted, a written correspondence on this subject between Mr. Perley and Larkin, Connolly & Co., took place at the suggestion of Thomas McGreevy. This correspondence is given here: