

you will sign without them being embodied. Politics changes ; so does Ministers. I will be back Tuesday. My address will be St. Lawrence Hall, Montreal.

" I remain yours,

" R. H. McGREEVY.

" O. E. MURPHY, Esq."

From this letter it appears there had been a memo. made out respecting certain conditions the contractors desired in the contract, and that this memo. had been handed to the Minister. It is clear from this letter that one of the conditions relates to a rebate of part of the \$50,000 to be paid for plant materials, &c., and that the writer, at least, had been informed there would be no trouble, especially in obtaining that condition.

Subsequent events showed clearly how accurate Robert McGreevy's information was. The memo. in question was not produced, and we have no further evidence of its contents than the above letter, written at the time, and the following extract from a letter written by N. K. Connolly to Patrick Larkin :

(Exhibit "G16.")

" POINT LÉVIS, 29th October, 1884.

" (*Private and confidential.*)

" DEAR SIR,—You will see by the enclosed message that we are offered the Esquimalt Graving Dock. I cared nothing about tendering for the Dock and scarcely expected to get it, but now we are offered it, and under the circumstances, I think it would be best to accept it, with the proviso that the changes we suggest are made and have been partially agreed between parties. They say there will be no security (cash) required by us. Our friends propose to arrange this ; moreover, there is no money paid for securing contract." (P. 1105.)

The amounts improperly paid by way of donations and otherwise out of the "Esquimalt Graving Dock" outside of the \$48,000 paid to R. H. McGreevy amounted to about \$35,000. A statement was produced (Exhibit "E7") showing the items, which had been made up and signed by M. P. Connolly, the book-keeper of Larkin Connolly & Co. It is as follows :

(Exhibit "E7.")

" ESQUIMALT DOCK.

| | |
|----------------------|-----------------|
| August, 1885..... | \$ 4,000 |
| February, 1886..... | 3,000 |
| April, 1886..... | 1,000 |
| June, 1886..... | 3,000 |
| March, 1887..... | 17,000 |
| do Three Rivers..... | 5,000 |
| March, 1888..... | 2,000 |
| | <u>\$35,000</u> |

" Certified correct,

" M. P. CONNOLLY,

" Clerk.

" 26th April, 1889."

The Accountants' report on this subject is as follows (P. 1380) :

" ESQUIMALT BOOKS.

" Expense Account.

| | |
|---|------------------|
| " This account amounts to \$89,946.29, divisible into three parts, viz. :— | |
| Business expenses..... | \$ 6,665 48 |
| Payments to R. H. McGreevy of a one-fifth interest in the profits treated in the balance sheet as..... | 48,195 81 |
| Donations and extraordinary payments..... | <u>35,085 00</u> |