

The work done during these years under the contract appears to have been remunerative.

The trial balance (Exhibit "D5") signed by the Auditors and approved by the partners, shows that up to the end of the season of 1884 the receipts amounted to \$115,193.60, while the expenditure reached \$77,000, leaving a balance of profits of \$38,193.60.

The profits for the year 1885 do not appear, but in 1886 it was proved that the receipts for that year were \$87,293 and the expenses \$38,544, leaving a balance of profits of \$48,737.

In addition to these profits there must be added a further sum of about \$16,107, which, on the 14th of March, 1887, Perley reported to the Harbour Commissioners, should be paid to Larkin, Connolly & Co., being for 322,140 cubic yards deposited by them in the river, instead of being put on the embankment, and for which Boyd retained 5 cents per cubic yard, as in his opinion a fair deduction for the same having been dumped in the river. No evidence was offered to show that the 5 cents deduction was not a reasonable one, or why the \$16,107 should have been paid to Larkin, Connolly & Co., beyond the mere opinion of Perley.

The evidence conclusively shows that Larkin, Connolly & Co. gave Robert McGreevy a 30 per cent. interest in the contract, solely to obtain his influence with his brother, Thomas McGreevy, to procure them the contract in the first instance, and his influence afterwards on the Harbour Commissioners' Board, while the contract was being carried out. It appears to us that Thomas McGreevy knew all about the arrangement made between his brother Robert and Larkin, Connolly & Co., and that he used all his influence accordingly in favour of this firm. The advantages conceded to Larkin, Connolly & Co., which were denied to Askwith, a lower tenderer, the permission given to Beaucage to withdraw his tender, and the favours subsequently shown to the firm of Larkin, Connolly & Co. in the matter of payment, can only be explained on the ground that some powerful if not undue influence was exerted in their behalf. Askwith was peremptorily informed that he must undertake to begin the work by the 1st of August, 1882. Being without dredges at the moment, he had to withdraw, as the fulfilment of the condition was impossible; but the favoured contractors were allowed till the following year to begin operations, while the enormous profits realized show that the work could have been successfully and profitably carried out at the lower prices tendered for by Askwith.

#### FINDINGS.

Looking at all the evidence and comparing the correspondence, written at the time, we find: That Thomas McGreevy did corruptly lend his influence as a member of Parliament and as a member of the Board of Harbour Commissioners, in order to secure the firm of Larkin, Connolly & Co. the contract, and to procure for them undue and improper concessions afterwards, and that he did this in consideration of the said firm having taken his brother Robert into partnership with them, and giving him an interest to the extent of 30 per cent.

#### KINIPPLE & MORRIS' DISMISSAL.

The works of the Lévis Graving Dock, and those of the Quebec Harbour, were under the direction of a firm of London engineers, Messrs. Kinipple and Morris, whose plans had been adjudged the best after public competition. Messrs. Kinipple & Morris' resident engineer was Mr. Woodford Pilkington.

The contractors had frequent differences with Pilkington, and complained of his severity in causing them to keep to the specifications and contracts. In fact Murphy swears that the engineers were severe on them in keeping them to the letter of the contract, and that it was a question whether they would have to give up the contract or the engineers be dismissed. An organized system of denunciation was carried on against the resident engineer in the papers the contractors could control—some of the articles being written by the contractors themselves. They resolved to get rid of him. The good will of Mr. Thomas McGreevy was secured, and Messrs. Kinipple and Morris were replaced by engineers chosen by Mr. McGreevy