

unable to reimburse him, and he found it impossible to find a purchaser, he was obliged to retain her. In the year 1883 a contract was made by the Minister of Railways with the registered owner of the "Admiral" to run her in the Baie des Chaleurs and Gaspé ports in connection with the Intercolonial Railway for a period of five years, for which the Minister agreed to pay a yearly subsidy of \$12,500.

This contract was again renewed in May, 1888, for a second period of five years, for the same service, and for which the same amount of subsidy is annually paid. Chabot swears that for the whole period of time, prior to the sale to Nicholas K. Connolly, he accounted to Thomas McGreevy for all subsidies received and moneys earned by the steamer "Admiral."

FINDINGS.

Your Committee find the charges upon this subject clearly proven, and that Thomas McGreevy did, while a member of the House of Commons, receive from the Government of Canada, from some time in the year 1883 until the 24th of February, 1891, the annual sum of \$12,500 for the services of the steamer "Admiral," contrary to the statute for securing the Independence of Parliament.

No. 11.

PAYMENT OF MONEY BY LARKIN, CONNOLLY & CO.

"That members of the firm of Larkin, Connolly & Co. paid and caused to be paid to the Honourable the Minister of Public Works, out of the proceeds of the various contracts in question, large sums of money."

"63. That certain members of the firm of Larkin, Connolly & Co. paid and caused to be paid large sums of money to the Hon. Minister of Public Works, out of the proceeds of the said contracts, and that entries of the said sums were made in the books of the firm."

The evidence on this charge consists of the sworn statement of O. E. Murphy, in his main examination, to be found at pages 180 to 183, inclusive, and his statements on cross-examination on pages 302-303, coupled with the entries in the books of Larkin, Connolly & Co., on the dates of November 2nd and November 21st, 1887, and the cheques corresponding with those entries, endorsed by N. K. Connolly himself, and charged to the Lévis Graving Dock expense account.

Murphy swears that he gave the sum of \$10,000 to Sir Hector Langevin, in Sir Hector's house in Quebec, in two sums of \$5,000 each. That he got the money in two cheques signed by Larkin, Connolly & Co., payable to the order of Nicholas Connolly, and endorsed by him. That he drew the money on the cheques the same days they were signed; that they were made at different dates, and that he paid the money to Sir Hector on each occasion, immediately after he got it from the banks; that the money was in bills or bank notes; that he asked for \$100 bills, but thinks he got \$50 bills and \$20 bills; and that the dates of the cheques would be exactly the dates of the payments.

That it was agreed between him, Murphy, and Nicholas Connolly, and either Larkin, or his agent Kimmitt, that the money should be charged to Lévis Graving Dock, and that it was to be kept secret from Robert and Thomas McGreevy, Robert not having any interest in that work. That he did not remember the year or the season of the year when he paid the money, but that the cheques would show.

In his cross-examination (p. 302) he repeated that he could not remember the year, but that the cheques would show; that the auditors went through the whole thing and made an examination and stated where and how they would place it; and that it was a matter thoroughly talked about, and an explanation given, and in reply to a suggestion of counsel that no one could find such an item in the firm's accounts, repeated that there must be an account of it in the books.

Our Accountants report (p. 1276) that the donations charged to Lévis Graving Dock include two cheques of \$5,000 each, one dated 2nd November, 1887, and the other of the 21st of the same month, each drawn in favour of N. K. Connolly, and endorsed in his own handwriting. Both these payments were charged and allowed in the audit made by the auditors of the firm, and approved by the