

As to all these Acts, except that of 1875, which refers to the completion of the Graving Dock, and that of 1882, which refers to the Cross-wall and Lock, it is clear that they provide for a co-operation of the Government with the Harbour Commissioners only to this extent: that the proposed improvements shall be sanctioned by the Governor in Council on the joint report of the Ministers of Marine and Fisheries and Public Works.

When the proposed improvements are approved of and sanctioned as above, the work comes under the exclusive jurisdiction and control of the Harbour Commissioners. They make all contracts, have the appointments and control of all officers, including engineers and inspectors, and make all payments for work done and materials provided. Neither the Government nor the Department of Public Works have any such functions or powers in connection with the works.

As to the Act of 1882, providing for the Cross-wall and Lock the only difference is that the plans are to be prepared by the Engineers of the Department of Public Works, that public tenders shall be called for, and the contract awarded by the Governor in Council, so that even under this Act the Commissioners are responsible for the carrying out of the work and they have the powers and duties above referred to as to the employment of engineers, inspectors and other servants.

The legal relation of the Government and the Quebec Harbour Commissioners to the works in question as above pointed out was understood and acted upon both by the Honourable Minister of Public Works and the Commissioners themselves. *e. g.*: See synopsis of letters and other documents at page 2 of synopsis of Exhibits. See also letter from the Secretary of the Department of Public Works to the Secretary of the Harbour Commissioners printed at page 1059, in which it is stated that the Honourable Minister of Public Works after full consideration was of opinion that the matter of retaining Messrs. Kinipple and Morris only as consulting Engineers and entrusting the superintendence of the works to Engineers residing in Canada, was one to be dealt with directly by the Harbour Commissioners.

Messrs. Kinipple and Morris were dismissed by the Harbour Commissioners in June, 1883. (See letter Secretary Harbour Commissioners to the Honourable Sir Hector Langevin (printed at page 1060), and Mr. H. F. Perley was appointed by them 11th September following, Minute Book No. 5, Harbour Commission (page 68). Mr. Boswell on Mr. Perley's resignation was appointed in the same way in September, 1890. (See page 18 of evidence.)

So all other engineers and inspectors and other employees on the works were engaged by, and were responsible only to the Commissioners.

All the contracts now in question were considered by the Commissioners and it is to be noted that as to their action upon them there is no suggestion of impropriety.

Dealing now with the charges against the Department of Public Works as they are found in the Analysis of Charges prepared by Counsel for the Department, the following memoranda is submitted:—

## 1

### CROSS-WALL CONTRACT, 26TH MAY, 1883.

The charge is as follows:—

That while the tenders for the Cross-wall were being examined and the quantities applied in the Department of Public Works, the said Thomas McGreevy obtained from the Department and from officials of the department, information as to figures and amounts and in other respects as to the said tenders, and in consequence of such information and by improper manipulations in connection with the said tenders the contract was awarded to Larkin, Connolly & Co.

This charge in the light of the evidence adduced to support it may be divided into two branches.

FIRST.—As to information alleged to have been improperly given to Hon. Thomas McGreevy.

SECOND.—As to alleged manipulations by which the contract was improperly awarded to Larkin, Connolly & Co.