

The contract provided that the materials dredged should be placed on the Louise Embankment, or such other locality as should belong to the Quebec Harbour Commissioners, and that the balance should be dumped into the river.

As a matter of fact, a large portion, proved by the witnesses to be 50,000 yards, was in 1887, 1888 and 1889, dumped into the Cross-wall which the same contractors were building for the Quebec Harbour Commissioners, and notwithstanding the express words of their dredging contract they were paid 45 cents extra for every cubic yard so dumped, or a clear gain of \$22,500.

The difficulties suggested in the letter of Larkin, Connolly & Co. of the 28th of April, when offering to do the work, were purely imaginary, and must have been known to be so by the Minister, the Chief Engineer, Thomas McGreevy, and all parties interested in the letting of the work. The profits made by the contractors on this contract in the year 1887 alone appear from the trial balance, Exhibit "G5," put in evidence, to have reached the enormous sum of \$147,787.03, and the report of the Accountants shows that during the year 1887 and 1888 nearly \$7,000 were paid by the contractors to the Dredging Inspectors as bribes to induce them to make false returns of the quantities excavated.

No doubt can exist that a gross fraud was committed in the letting and carrying out of this contract. The question arises, between what parties the blame is to be distributed, and how far Sir Hector Langevin was, or should have been, cognizant of the facts.

Mr. Dobell, one of the Harbour Commissioners, was examined, and when questioned respecting this contract, said :

"Q. Then, during your membership, which has lasted from the first to the present time, you were not aware of any impropriety in the relationship between Mr. McGreevy and any person whatever, either contractor or persons in authority, in connection with the work?—A. No; I may state that I had no suspicion of anything wrong, except when the dredging contract was given, and then I protested. I did not like that dredging contract. It was forced upon us, and in a way I did not like.

"Q. You thought there was too much work being done?—A. I had a suspicion that the work was not being properly done.

*" By the Chairman :*

"Q. What was your protest?—A. That they should not be allowed to throw any more of the dredging material into the river, and I thought the price was far too much for the work performed. Large portions of the work were forced upon us time after time.

*" By Mr. Edgar :*

"Q. What dredging are you speaking of?—A. The 35 cent contract. My suspicion was that this work was being forced upon us and that it was not done as we wanted it.

"Q. Then you did not consider the way it was being done was in the interest of the trade of the place?—A. Of the public; and I believed the dredging could have been done at far lower cost.

"Q. State your reasons?—A. We decided that we would have no more dredging done after the \$100,000 contract was completed; still we found them going on with it. After the Commission, as a body, decided that no more material should be dumped into the river, and instructed the engineer to that effect, the engineer having told the contractors that no more dredging would take place, we still found the dredging continued, and we then claimed that they should not be paid for that dredging, but they were paid.

*" By Mr. Mills (Bothwell) :*

"Q. I understood you to say you yourselves were of opinion that 35 cents was altogether too high?—A. For dumping it into the river. If they placed it on the embankment and levelled it I don't know that it would be too high—I would not