

The avowed inducement for entering into the new or supplemental contract was to have the Dock completed in 1884. As a matter of fact, it was not completed till 1886.

Sir Hector Langevin appears to have kept a close watch over, and had an intimate knowledge of, the affairs of Larkin, Connolly & Co., because in the month of September, 1886, he writes to his friend McGreevy the following letter:

(Exhibit "C16.") "OFFICE OF THE MINISTER OF PUBLIC WORKS, CANADA.

"OTTAWA, 20th September, 1886.

"MY DEAR MR. MCGREEVY,—The contractors for the Lévis Graving Dock should ask a settlement of their account from the Harbour Commissioners, who will then most likely consult with their engineers. For the Esquimalt Dock it is different, because the work there is altogether under my control.

"Yours very truly,

"HECTOR L. LANGEVIN.

"HON. THOMAS MCGREEVY, M.P., Quebec."

This letter must have been written in answer to an application, written or verbal, made by Thomas McGreevy on behalf of Larkin, Connolly & Co. The words "their engineer" are underscored in the original letter produced, though Sir Hector denies doing it. Why the Minister of Public Works of Canada should write a letter suggesting that a firm of contractors should ask for a settlement of an account which does not appear at that time to have existed seems very strange. It is the more strange in view of the condition he had attached to his recommendation of their tender to the Governor in Council "that they should make no claim for extras for the future."

On the 23rd of December, after Boyd's death, Perley recommends and the Harbour Commissioners appoint St. George Boswell as Resident Engineer, at a salary of \$2,500, and Charles McGreevy and Laforce Langevin, deputy engineers, at a salary of \$1,800 each.

In the light of the fact, Charles McGreevy being Robert's son and Laforce Langevin the son of the Minister, and not an engineer at all, these appointments and salaries were utterly indefensible and scandalous. Charles McGreevy has since been dismissed, but Laforce Langevin is still retained.

The Minister's letter to Thomas McGreevy, of date 20th September, appears to have had the desired effect. His advice is followed by the contractors, and on the 24th January, 1887, we find Perley enclosing to the Harbour Commissioners an account presented by Larkin, Connolly & Co. in connection with the Graving Dock at Lévis for the sum of \$814,241.98. Of this amount Perley reports in favour of paying \$640,403, reserving one item of \$110,000 for alleged "damages sustained for deduction of salaries, maintenance of organization at Lévis and the quarries."

The details of this claim of \$110,000 are to be found on page 1166 of the evidence, and consist of "the salaries of the several members of the firm, their engineers and other employes, together with interest on \$90,000 at 7 per cent. and the cost of maintenance of organization at Lévis" during four years that they were engaged upon the work contracted for.

In view of the language of the contract under which they bound themselves to build the Graving Dock, and assume the risk of the foundation, &c., and became liable to heavy penalties for delays, this claim of Larkin, Connolly & Co. for \$110,000 damages was certainly baseless, and in our opinion should have been instantly repudiated.

In 1883, when Perley first took charge of the works, he wrote to the contractors asking them "to submit every claim that they might have." No such claim was presented till 1887, four years afterwards, a time when they were in default for nearly two years in carrying out their supplemental contract.

Perley, however, so far from repudiating their claim, in his letter of 14th September, 1887, to the Harbour Commissioners, actually recommended that they be paid \$30,900 of the amount.